

SOUTH AMERICA

Argentina

I. Summary

Argentina is not a major drug producing country, but it remains a transit country for cocaine flowing from neighboring Bolivia, with undetermined quantities of the drug also being moved through Argentina in international transit from Peru and Colombia. Within the last several years, Argentina has become a transit area for Colombian heroin en route to the U.S. East Coast (primarily New York), although there is no evidence that the quantities involved significantly affect the U.S. According to Government of Argentina (GOA) statistics, domestic drug use continues on the upswing. Although the overall number of people arrested for possession and trafficking declined in 2002, the number of seizures of most types of drugs again increased. This is indicative of a more focused use of investigative resources by the GOA, where trafficking organizations are being targeted instead of individual violators. Argentina is a party to the 1988 UN Drug Convention.

While cognizant of its responsibilities in the interdiction area, the GOA continues to focus its counternarcotics efforts on demand reduction. Federal counternarcotics policy is coordinated by the Secretariat for the Prevention of Drug Addiction and Narcotics Trafficking (SEDRONAR). The GOA has several national security forces involved in counternarcotics efforts, with the Gendarmeria Nacional (Border Patrol), and Prefectura Naval (Coast Guard) playing the most prominent and effective roles. Provincial police forces also play an integral part in counternarcotics operations.

II. Status of Country

Argentina is not a major drug producing country, however, because of its advanced chemical production facilities it may be a source for some of the precursor chemicals used by drug-producing countries in the Andes. Most Argentine officials agree that the trafficking of narcotics through Argentina is a problem, although it has remained difficult to quantify the flow with any degree of accuracy. Argentina has a large and well-developed chemical industry which manufactures almost all the precursors necessary for the processing of cocaine. Although Buenos Aires had a sophisticated financial sector, which might have been used for money laundering operations, that sector has been crippled and reduced in size by Argentina's economic crisis over the course of the last year.

Bolivia is the primary source of cocaine entering Argentina. Some drugs, such as marijuana, enter via Paraguay and Brazil. Within the past several years, the trafficking of Colombian heroin through Argentina to the U.S. East Coast has increased significantly. Seizures of psychopharmaceuticals, such as Ecstasy (MDMA), continue to occur. Amphetamine seizures are increasing as well.

Commercial aircraft, private and commercial vehicles, containerized rail cargo, and foot traffic all serve as means of entry of drugs into Argentina. The thousands of uncontrolled airfields and small municipal airports, combined with the continuing lack of national radar coverage, are factors which make Argentina attractive to potential traffickers. Riverine traffic from Paraguay and Brazil is another probable method for moving narcotics into and through Argentina. Drug shipments out of the country are mostly via commercial aircraft or through Argentina's maritime port system. Couriers of cocaine from Buenos Aires' Ezeiza International Airport are primarily destined for Europe, South Africa, and Australia. Air couriers of heroin are primarily destined for the United States. Narcotics entering and exiting via Argentine maritime ports are carried in bulk and containerized cargo, and in some cases, by passengers.

As a member of MERCOSUR, Argentina cannot open and inspect sealed containers from another member state which are passing through the country in transit. These sealed and uninspected containers are considered to be a high trafficking threat. Much of Paraguay's international trade passes through Argentine ports in containers.

III. Country Actions Against Drugs in 2002

The GOA actively opposes drug trafficking and the sale and use of illegal narcotics within the country. Argentina is party to the 1988 UN Drug Convention. In 1989, the Argentine congress passed the laws necessary to bring the 1988 UN Drug Convention into effect. Various presidential decrees since then have targeted money laundering and allowed asset seizures. In 1998, a witness protection program for key witnesses in drug-related prosecutions was created.

Argentina remains very active in multilateral counternarcotics organizations such as the Inter American Drug Abuse Commission (CICAD), the International Drug Enforcement Conference (IDEC), and the UNDCP. In 2001, Argentina continued to urge MERCOSUR to play a larger role in money laundering and chemical precursor diversion investigations.

Demand Reduction. The GOA has traditionally focused its narcotics efforts on demand reduction. Drug use is treated as a medical problem and addicts are eligible to receive federal government-subsidized treatment. Buenos Aires province (the most heavily populated) has its own well-established demand reduction program which coincides with the province probably hosting the most drug users.

Law Enforcement Efforts. Argentina has many federal and provincial police forces involved in the counternarcotics effort. The primary federal forces involved are the Federal Police (who also have jurisdiction for crimes committed in or connected to the city of Buenos Aires), the Gendarmeria Nacional (border police), the National Customs Service, the National Air Police, and the National Coast Guard. The provincial police forces of Buenos Aires, Salta, and Jujuy are also very involved in the counternarcotics campaign.

All of Argentina's security forces face continuing severe counternarcotics budget limitations which have hampered investment in training and equipment. Also, weak coordination among the many, and at times, competing, law enforcement organizations continues to diminish GOA effectiveness. The GOA recognizes this problem and has taken some steps to try to alleviate it.

Seizure statistics provided by SEDRONAR indicate that only 32.3 metric tons of coca leaf was seized in Argentina in CY-2002. In CY-2001, 91.3 metric tons were seized. The radical decrease in seizure of coca leaf in 2002 could be attributable to a number of factors, including improved interdiction in Bolivia, and/or an increased emphasis on chemical seizures, which means more northbound traffic exiting the country is examined than southbound traffic entering the country from Bolivia. Another possible factor is the shift in Gendarmeria personnel from border interdiction duties to general policing due to a major increase in violent crime throughout the country this calendar year. Coincidentally, the price of coca leaf increased in Argentina during 2002.

Chemical diversion remains a serious problem, as demonstrated by a number of significant precursor chemical seizures resulting from operations carried out under Operations Gran Chaco and Seis Fronteras in the fourth quarter 2002. From November 2001 to October 2002 the Northern Border Task Force of the Gendarmeria Nacional seized in excess of 401,201.00 kilograms of illicit chemicals. Of this, 306,934.00 kilograms were seized in the fourth quarter, including eleven individual seizures of over 25,000.00 kilograms each. As noted above, the decrease in coca leaf seizures and the increase in chemical seizures could be a result of the increased emphasis on chemical seizures, rather than a shift in trafficking patterns.

Corruption. The GOA has reiterated that the fight against corruption is one of its highest priorities. Argentina is a party to the Inter-American Anti-Corruption Convention and has ratified the OECD anti-bribery convention. The caretaker Duhalde government left in place anti-corruption measures and offices tasked with fighting corruption that had been established by the De la Rúa government.

Agreements and Treaties. In 1990, Argentina and the USG signed a mutual legal assistance treaty (MLAT) that went into effect in 1993. In 1997, the USG and Argentina signed a new extradition treaty, which entered into force on June 15, 2000. A memorandum of understanding between the U.S. Treasury and SEDRONAR dealing with the exchange of financial information relating to money laundering was

signed in 1995. The GOA has yet to sign the standard INL Letter of Agreement for law enforcement and counternarcotics assistance because of Ministry of Foreign Affairs legal and policy concerns. This delay has hampered U.S./Argentina cooperative counternarcotics efforts in that it has impeded the disbursement of material assistance to the GOA.

The GOA is a party to the 1988 UN Drug Convention. It also has bilateral narcotics cooperation agreements with many neighboring countries. The United Kingdom, Germany, Australia, France, and Italy provide limited training and equipment support. Argentina signed the UN Convention Against Transnational Organized Crime and its protocols in December 2000.

Precursor Chemical Control. Argentina has a well-developed chemical industry which produces many of the necessary solvents, acids, and oxidizing chemicals needed for the extraction of cocaine from the coca leaf and its subsequent purification. Argentine authorities seized in excess of 401,201 liters of precursor chemicals in 2002. That is a noticeable increase over the 350,465 liters of precursors seized in 2001.

A presidential decree signed in 1991 placed controls on essential chemicals and precursors, requiring that all manufacture, import or export of precursor chemicals (and certain pharmaceutical drugs) be registered with SEDRONAR. In 1996, another decree included the need for distributors and transporters to register. Until very recently, not much was done to verify the bona fides of chemical transfers. Due to resource constraints and deficiencies in the relevant earlier decrees, there have been very few investigations into suspicious chemical transfers. This may be in part attributable to the fact that Argentine law does not recognize the possession of precursor chemicals as a serious criminal offense. Thus, Argentine law enforcement officials seem to place little emphasis on the arrest and prosecution of individuals found to be in possession of precursor chemicals, although that situation appears to be improving as SEDRONAR has placed increasing emphasis on the precursor problem.

SEDRONAR has recognized long-standing problems with the old chemical register. The GOA has introduced new and more secure import and export certificates. SEDRONAR has begun to rebuild a national database of producers and distributors to gain a better understanding of the scope of the problem and has formed an eight-person chemical investigation unit. The GOA has proposed to its neighbors that they work more closely together to monitor the flows of chemicals in the region. SEDRONAR officials say they are willing and able to exchange records with USG law enforcement authorities, and have begun to do so in an effective manner mutually beneficial to both governments.

IV. U.S. Policy Initiatives and Programs

Cooperation between the USG and Argentine authorities, both federal and provincial, continued to be excellent in 2002. The Northern Border Task Force (NBTF) and Group Condor, major DEA-supported initiatives in the frontier region with Bolivia, continue to produce noteworthy results. Both the NBTF and Group Condor devote all of their investigative resources to counternarcotics work. State Department funding has been used to provide equipment and training for both units. The NBTF and Group Condor seized 415.6 kilograms of cocaine and arrested 53 traffickers in calendar year 2002. A major benefit derived from both the NBTF and Group Condor operations has been the enhanced cooperation between participating agencies in the conduct of joint investigations.

Based on the success of the NBTF and Group Condor task forces, the Embassy plans to assist the GOA in establishing similar task forces in the tri-border area and at the Port of Buenos Aires in 2003. The Gendarmeria Nacional's task force operations have been particularly effective in the past year and as a result the USG will channel significant amounts of available funding to assist Gendarmeria efforts to establish new task forces and train personnel to man them. The USG is also looking to provide more equipment and training to the Prefectura Naval, which places considerable emphasis on maritime drug interdiction activities. In 2002, the USG funded the training of a mid-level Prefectura Naval officer at the U.S. Coast Guard's Yorktown, Virginia training facility. He attended two courses—one on crisis

management and the other on command and control. The officer has since returned to Argentina and is training his colleagues based on what he learned in Yorktown.

In 2002, the USG also funded a seminar on airport drug interdiction methods that was organized by the DEA Buenos Aires Country Office (BACO). All GOA federal law enforcement agencies and the Argentine Customs Service were represented at the seminar.

In September 2002, the Embassy hosted a seminar on money laundering that was funded by INL and taught by instructors from the Federal Law Enforcement Training Center. The seminar was well attended and extremely well received. An Argentine federal judge, a number of federal prosecutors, four of the five directors of the new Financial Investigative Unit (FIU), Central Bank officials, and representatives from each of the three federal law enforcement agencies attended, along with officials from the private banking and money laundering sectors.

The Road Ahead. U.S./Argentine counternarcotics cooperation improved noticeably in 2002, despite an uncertain political situation in which Argentina had five different presidents in a three-week period at the beginning of the year. Elections are scheduled for April 2003 and a new government is to take office in May. New officials will take charge of GOA ministries and law enforcement agencies involved in counternarcotics efforts and they will need to establish counternarcotics policies and strategy for the new government. During that period, the USG will encourage the GOA to continue to focus its efforts on the critical northern border area where the vast majority of cocaine enters Argentina, without neglecting other important areas such as the tri-border area where Argentina, Paraguay, and Brazil meet. The USG will continue to work with the Argentine Customs Service and Air Police to target heroin trafficking to the U.S. East Coast and cocaine movements by couriers through Argentina's airports. The GOA should also determine the extent of South Atlantic maritime trafficking. Efforts will also include continued work with SEDRONAR to develop effective chemical controls and identify the illegal diversion of precursor chemicals.

Bolivia

I. Summary

Bolivia's prior success in eradicating huge swaths of coca cultivated in the Chapare is challenged by a 23 percent increase in coca cultivation as of June 2002. Despite eradicating nearly 12,000 hectares of coca this year, constant replanting obliges the newly installed Sanchez de Lozada Administration to pursue a multi-year counternarcotics campaign in the Chapare. Alternative development initiatives in the Chapare continue to provide licit alternatives to coca.

The largest coca growing area within Bolivia, of both legal and illegal coca, is the Yungas. There, topography and history argue against a simple repetition of the policy of force eradication so successful in the Chapare. Limiting the expansion of illegal plantings in the Yungas are the principal challenges faced by the new Administration. In 2002, the GOB began putting in place the mechanisms to control the licit coca market and prevent diversion to illicit cocaine production by enhancing interdiction operations. Successes in interdiction, which have significantly disrupted the traffic and transit of drugs and precursor chemicals over recent years, have been somewhat offset by adaptations by Bolivian traffickers to a limited and changing supply of precursor chemicals. Additionally, Bolivia remains a transit country for Peruvian cocaine base. Over the years the GOB has also undertaken several projects to reduce domestic demand for illicit narcotics. Bolivia is a party to the 1988 UN Drug Convention.

II. Status of Country

Today Bolivia trails far behind its neighbors, Colombia and Peru, as a supplier to world markets of coca base and cocaine hydrochloride (HCL). Bolivia's cultivation of coca is about half what it was at its peak in 1995, dropping from 48,600 hectares to 24,400 hectares in 2002; Bolivian law authorizes the cultivation of up to 12,000 hectares of coca for traditional use.

Any gains in the GOB's successful reduction of domestic coca and cocaine production have been partially offset by Bolivia's growing importance as a transit country for Peruvian cocaine base destined mainly for Brazil. Bolivia's borders run through the most remote and least controlled territories of its five neighboring countries, presenting multiple natural routes for smuggling.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The successes of "Plan Dignity" were evident at the time of President Banzer's resignation for ill-health in August 2001. The transition administration of President Jorge Quiroga, worsening economic prospects and the run-up to the 2002 presidential elections combined to constrain GOB initiatives that would have consolidated these successes. The rooting out of corruption remains a challenge for the Sanchez de Lozada Administration, one that will ultimately determine, to a large degree, its future success in advancing its counternarcotics policy.

Despite the transition from the Quiroga Administration to that of Sanchez de Lozada, 2002 eradication statistics (nearly 12,000 hectares) were the second highest ever recorded for Bolivia. The Sanchez de Lozada Administration maintained the strong forced eradication program in the Chapare of his predecessors, though the President did establish a "dialogue" with cocalero leader Evo Morales that continued through the end of 2002. Morales' call for a "pause" in eradication has been rebuffed by the Sanchez de Lozada Administration, though it has shown itself willing to discuss a panoply of other coca-related issues in an attempt to avoid violence and economic disruption from cocalero roadblocks.

Even with a strong eradication effort, in 2002 the GOB faced a 23 percent net increase in coca cultivation—4,500 hectares over the 2001 levels, due to rapid replanting by cocaleros. The net increase in

Chapare cultivation was 1,200 hectares, while the Yungas saw a net increase of 3,400 hectares. (The Apolo region declined by 100 hectares.) Due to strong and violent cocalero opposition, both the previous and the current GOB administrations have been hesitant to conduct forced eradication in the Yungas. The Sanchez de Lozada Administration is developing a comprehensive Yungas strategy focusing on interdiction. The USG is working closely with the GOB to rebuild DIGECO, the institution charged with regulating the commercialization of legal coca. This effort is an integral part of a long-term strategy of increasing interdiction efforts and achieving effective control over the legal market for coca leaf to prevent diversion to cocaine production.

Extradition. Bolivia and the U.S. signed a bilateral extradition treaty in 1995. The treaty entered into force the following year and mandates the extradition of nationals for most serious offenses, including drug trafficking. There were no extraditions from Bolivia to the United States in 2002.

Counternarcotics Alternative Development. USAID supported net coca reduction by deepening and broadening alternative development assistance in the Chapare region. Through September 2002, USAID reached 21,410 families with on-farm technical assistance, planting material, training and infrastructure. The GOB estimates the area of licit crops planted in the Chapare increased about five percent in 2002, to nearly 125,000 hectares. Social conflicts and frequent blockades, however, limited the percentage of investments made in production and road infrastructure covered by non-USG resources in 2002. There are currently 92 agribusinesses purchasing agricultural products and/or supplying agro-inputs on a regular basis in the Chapare, about 70 percent of which received direct or indirect collaboration from USAID.

The annual family income from licit agricultural products in the Chapare increased from \$1,706 in 2000 to \$2,055 in 2001; USAID estimates that further (albeit limited) growth occurred in 2002. The GOB estimates the number of jobs in licit agriculture rose to 51,000 by December 2002. By September 2002 the value of licit produce leaving the Chapare decreased to \$19.5 million, down from \$28.9 million in September 2001. This was due to sharp reductions in demand occasioned by the economic recession in Bolivia and the severe economic crisis in Argentina; demand rebounded considerably in the fourth quarter.

USAID's alternative development program in the Yungas, known as the Yungas Development Initiative (YDI), through September 2002 completed 56 rural and small-town infrastructure projects, began implementation of 35 additional projects, and had 40 projects at various stages of design. These projects provide inter alia potable water systems, schools, coffee post-harvesting mini plants and other types of social and productive infrastructure.

In addition, the YDI has provided scholarships for 33 regional university students specializing in health provision and agricultural/veterinary science. The YDI has trained 35,100 Yungas residents in 454 communities in disease prevention and supported programs to provide successful medical treatment for tuberculosis and leishmaniasis to over 1,000 patients. The YDI constructed seventeen community sanitation units benefiting 6,967 people (with 34 more under construction), maintained and improved 37 kilometers of rural mountain roads (constructing three major bridges), and provided technical assistance in harvest and post-harvest techniques in twenty communities.

The YDI's successful efforts with coffee growers are starting to demonstrate high-income alternatives to coca production. Work with seven of the eight Yungas municipalities has resulted in signed coca control and reduction agreements with six federations and over 100 communities, leading to certification of over 60,000 hectares as coca-free areas. However, only 54 hectares of coca were voluntarily eliminated since the inception of the YDI in 1999.

Law Enforcement Efforts. The GOB and USG continue to work together to expand the size of the Special Drug Police Force (FELCN) and its specialized operational units. This expansion included personnel growth of more than 15 percent, the upgrading of its existing physical infrastructure, and the basic construction of at least 14 new bases throughout the country. It also included construction of a

national communications grid, establishment of several computer-based data banks and information sharing systems and the upgrading of operational and office equipment and gear.

In 2002 the GOB seized 101 metric tons (MT) of coca leaf, 362 kilograms of cocaine HCL, 4.7 MT of cocaine base and 8.8 MT of cannabis. In 2002 the FELCN Chemical Unit seized 240,403 liters of liquid precursor chemicals (acetone, diesel, ether, etc.) and 150 MT of solid precursor chemicals (sulfuric acid, bicarbonate of soda, etc.). It also destroyed 1,420 cocaine labs and made 3,229 arrests. GOB efforts continued to focus upon the interception of illicit drugs and chemicals, as well as on the detection and destruction of both organizations which bring chemicals into Bolivia from Chile and Argentina and those which transfer cocaine from Bolivia into Brazil and Argentina.

The Code of Criminal Procedures (CCP) was enacted to strengthen the state's ability to protect its citizens' rights while providing for more rapid prosecutions and findings. New procedures introduced in 2002 to implement the CCP complicated the task faced by law enforcement and justice officials to complete successful investigations and trials in a timely manner. The public also does not yet fully understand the process. The USG and GOB continued to work together to provide training for prosecutors, investigators, and judges. In 2002 the USG also supported GOB efforts to strengthen Bolivia's prosecutorial institutions through the hiring of new prosecutors and paralegals to deal with the caseload within the deadlines fixed by the CCP. Problems with CCP implementation remain, however. Changes in the substantive Criminal Code are still needed to avoid prosecuting informants. Bail provisions and restrictions are not always applied correctly and the CCP limits the use of preventive detention. In addition, despite considerable training, prosecutors and judges (unaccustomed to the discretion under the CCP) often fail to apply preventive detention when it is called for.

Corruption. Bolivia's small- to mid-sized trafficking organizations do not seem to exercise a corruptive influence at the higher levels of the GOB. The present government neither condones, encourages nor facilitates any aspect of narcotics trafficking. In 2002, there were no prosecutions of narcotics-related cases involving senior level officials. The GOB, however, aggressively investigates allegations and is prepared to take appropriate action in instances wherein investigations suggest current or former Bolivian National Police or other officials are involved in or otherwise implicated in narcotics-related corruption.

Agreements and Treaties. Bolivia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Bolivia and the United States signed an extradition treaty in 1995, and the treaty has been in force since 1996. Bolivia has signed but not yet ratified the UN Convention against Transnational Organized Crime and the Protocol against the Smuggling of Migrants; both have been approved by the Senate and are before the Lower House for final approval. In November 2001 Bolivia ratified the Protocol to Prevent, Suppress and Punish Trafficking in Persons.

Cultivation/Production. At mid-2002 total cultivation of coca in Bolivia was estimated to be 24,400 hectares, with 18,700 hectares in the Yungas region (6,700 hectares over that allowed under current Bolivian law), 5,400 hectares in the Chapare region (all illicit, destined for cocaine production) and 300 hectares in the Apolo region (all licit). Total potential cocaine production in Bolivia decreased from 240 metric tons in 1995 to 60 metric tons in 2002.

Drug Flow/Transit. Most Bolivian cocaine flows through Argentina and Brazil. Trafficking patterns indicate that Peruvian cocaine base crosses into Bolivia in the Lake Titicaca region, traverses Bolivia's La Paz, Beni and/or Pando Departments and then mostly enters Brazil. This cocaine base, particularly that of the lowest quality, is mostly consumed in Brazil. There are indications that some Peruvian cocaine base transiting Bolivia is consumed in the markets of Europe, Mexico and/or the United States. Some Peruvian cocaine base also transits Bolivia destined for Argentina, Chile or Paraguay.

Domestic Programs (Demand Reduction). During 2002 the USG continued to support the GOB's initiatives to upgrade its efforts in demand reduction. The Vice Ministry for Prevention and Rehabilitation undertook several joint projects with the USG, including: expanding professional training and certification

to drug counselors; beginning a youth soccer league to promote drug awareness and offer safe and healthful after-school activities; beginning a drug awareness and drug information center; establishing a toll-free 24-hour drug hotline; and, establishing a mobile drug information unit.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The principal U.S. counternarcotics goals in Bolivia are: to permanently remove Bolivia as a major producer of coca leaf for the production of cocaine; to promote economic development and establish alternative licit crops and markets so farmers will have viable options to cultivating coca; to disrupt the production of cocaine within Bolivia; to interdict and destroy illicit drugs and precursor chemicals moving within and transiting the country; and, to reduce and combat the market for the domestic abuse of cocaine and other illicit drugs. The USG works through various programs to promote institutional reform and strengthening the elements within the GOB dedicated to counternarcotics.

Bilateral Cooperation. The GOB and U.S. Embassy meet routinely at all levels to coordinate policy, implement programs and operations and discuss and resolve problems.

INL, through the Mission's Narcotics Affairs Section (NAS) and its Air Wing, directly supports and assists all interdiction and eradication forces (police, military, and civilian offices), including the Special Drug Prosecutors project. This support is established and defined under Letters of Agreements (LOAs) signed with the Ministries of Government and Agriculture, and the Public Prosecutor's Office. The U.S. Coast Guard discontinued its long-term training operations, which had been operating continuously in Bolivia with rotating teams for over ten years due to Bolivia's significant improvement in riverine counternarcotics capabilities. Goals within the LOAs reflect U.S. interests outlined in the Mission Program Plan, and were generally met or exceeded in 2002.

Road Ahead. Bolivia had a general election in June 2002. Gonzalo Sanchez de Lozada was elected president, at the head of a coalition of parties. Cocalero leader, Evo Morales, received the second largest plurality in votes, heading, in turn, an agglomeration of disparate political elements running against the status quo. Although the ruling coalition has evolved into an entity with sufficient votes to move legislation through the Congress, the appearance of the anti-establishment grouping demonstrated the growing sense of disenfranchisement among many voters.

The challenge for the GOB will be to eradicate aggressively for the foreseeable future, thus demonstrating its resolve to discourage continued efforts to grow and commercialize coca in the Chapare. Much of its future success with regard to controlling illegal production in the Yungas will depend on the GOB's reformation of the systems in place to control the marketing of legal coca, limiting it to only truly traditional uses.

Bolivia Statistics

(1994–2002)

	2002	2001	2000	1999	1998	1997	1996	1995	1994
Coca									
Net Cultivation ¹ (ha)	24,400	19,900 ²	14,600	21,800	38,000	45,800	48,100	48,600	48,100
Eradication (ha)	11,839	—	7,653	16,999	11,621	7,026	7,512	5,493	1,058
Cultivation (ha)	—	19,900	22,253	38,799	49,621	52,826	55,612	54,093	49,158
Leaf: Potential Harvest ³ (mt)	19,800	20,200	13,400	22,800	52,900	70,100	75,100	85,000	89,800
HCl: Potential (mt)	60	60	43	70	150	200	215	240	255
Seizures									
Coca Leaf (mt)	102	65.95	51.85	56.01	93.72	50.60	76.40	110.09	202.13
Coca Paste (mt)	—	—	—	—	—	0.008	—	0.05	0.02
Cocaine Base (mt)	4.7	3.95	4.54	5.48	6.20	6.57	6.78	4.60	6.44
Cocaine HCl (mt)	0.4	0.51	0.72	1.43	3.12	3.82	3.17	3.59	1.02
Combined HCl & Base (mt)	5.1	4.46	5.26	6.91	9.32	10.39	9.95	8.19	7.46
Agua Rica ⁴ (ltrs)	—	20,240	15,920	30,120	44,560	1,149	2,275	16,874	16,874
Arrests/Detentions	1,422	1,674	2,017	2,050	1,926	1,766	955	600	1,469
Labs Destroyed									
Cocaine HCl	2	1	2	1	1	1	7	18	32
Base	1,285	877	620	893	1,205	1,022	2,033	2,226	1,891

¹ The reported leaf-to-HCl conversion ratio is estimated to be 370 kilograms of leaf to one kilograms of cocaine HCl in the Chapare. In the Yungas, the reported ratio is 315:1.

² As of 06/01/2001.

³ Most coca processors have eliminated the coca paste step in production.

⁴ Agua Rica (AR) is a suspension of cocaine base in a weak acid solution. AR seizures first occurred in late 1991. According to DEA, 37 liters of AR equal one kilograms of cocaine base.

Brazil

I. Summary

The four main narcotics events of 2002 were the passage of an omnibus Brazilian federal counternarcotics law, the inauguration of the Amazonian Surveillance System (SIVAM), the regional integration of municipal drug laws of border cities, and the conclusion and publication of a Brazil-wide national drug consumption survey.

According to Brazilian authorities, the country's domestic drug problem is increasing. Additionally, Brazil is a major transit country for illicit drugs shipped to the United States and Europe. Brazil continues to cooperate with its South American neighbors to effectively control the remote frontier regions where illicit drugs are transported. Brazil is party to the 1988 UN Drug Convention.

II. Status of Country

Brazil is a conduit for cocaine base and cocaine HCl moving from source countries to Europe and the U.S. While the cocaine base has been consumed primarily in Brazil and the cocaine HCl exported, a significant, and increasing, amount of cocaine HCl remains in the country, particularly in Sao Paulo and other Brazilian urban centers where basuco and crack cocaine is used among the youth. Brazil is not a significant drug-producing country.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Brazil has undertaken various bilateral and multilateral efforts to meet all objectives of the 1988 UN Drug Convention, has implemented adequate law enforcement measures, and achieved significant progress in the fight against illegal drugs. In August, President Cardoso signed a decree formalizing the National Anti-drug Policy, reaffirming the commitment made in the Special Session of the General Assembly of the UN in June of 1998, and highlighting the transnational character of narcotics trafficking and the connection of this type of crime with other illegal activities such as money laundering. The new law focuses on punishing the trafficker and treating and rehabilitating the user with methods such as drug courts, and proposes the formal creation of a National Anti-drug System.

In July, the GOB implemented the 1.4 billion dollar project, begun in 1995, known as the Brazilian System for the Vigilance of the Amazon/System for the Protection of the Amazon (known by its Portuguese acronym SIVAM/SIPAM). SIPAM was created as a separate Brazilian government agency in September. The monitoring system known as SIVAM was designed to monitor all areas of interest in the Amazon, including environmental impact and illegal incursions into Brazilian territory. SIPAM maintains SIVAM and serves as a data conduit for the information between the Federal and local governments, as well as other interested parties. In December 2002, the system was reportedly 75 percent operational, but will require the installation of additional equipment and sensors, as well as additional GOB resources and support, to become fully functional.

The GOB implemented its border municipality counternarcotics pilot program in November. The goal of the program is to integrate border municipalities' drug demand reduction programs. The initial project covers the city-pairs of Santana do Livramento (Brazil)-Rivera (Uruguay), Uruguaiana (Brazil)-Paso de los Libres (Argentina), Ponta Pora (Brazil)-Pedro Juan Caballero (Paraguay), and Corumba (Brazil)-Puerto Suarez (Bolivia). The project is supported by the USG and OAS.

In September, the Brazilian household consumption survey of psychotropic drugs was published by the Brazilian National Antidrug Secretariat (SENAD). Half of the study was USG-financed. Brazilians were surprised at the high level of drug use (19.4 percent, at least once in their lifetime) shown in the study.

Cocaine usage (at least once in their lifetime) was shown in the study to be 2.3 percent of the population. The survey measured prevalence of drug use but not the total amount of drugs consumed.

The GOB continues to implement, with support from SENAD (the GOB National Anti-Drug Secretariat), specialized drug courts in Brazil, based on the U.S. model of national drug courts. The USG has financed and organized drug court conferences in Brazil, with U.S. speakers, as well as trips to the U.S. by GOB state justice officials to observe first-hand the drug court system in the U.S.

Law Enforcement Cooperation. The Brazilian Federal Police (DPF) and the National Anti-drug Secretariat (SENAD) continued to express their interest in active cooperation, particularly intelligence sharing, and coordination with the U.S. in drug control activities, inviting DEA agents to observe DPF operations in the Amazon region. Brazil actively cooperates with authorities in neighboring countries, particularly Colombia, Peru and Bolivia, to enhance regional counternarcotics efforts. In 2002 the GOB hosted both the Andean IDEC (International Drug Enforcement Conference) subgroup meeting, and the IDEC Southern cone subgroup meeting, as well as an international conference of Latin American Special Investigative Units (also known as vetted units). Brazil conducted joint counternarcotics operations (Operations Alianza 8 and 9) with Paraguay, and sent three DPF Agents to attend the Garras Del Valor **Jungle police/counternarcotics training school in Bolivia.**

Illicit Cultivation/Production. With the exception of some cannabis grown primarily for domestic consumption in the interior of the northeast region, there is no evidence of significant cultivation of illicit drugs in Brazil. DPF analysts believe that international narcotics trafficking organizations may be investing in building cocaine processing laboratories in Brazilian territory because of the availability of precursor chemicals.

Distribution and Financing. The DPF have taken measures to identify significant drug trafficking trends, patterns, and traffickers throughout Brazil in 2002. Although one or two monthly deliveries of large amounts of Colombian cocaine may be shipped to Brazil's urban centers of Rio de Janeiro and Sao Paulo, Federal Police information indicates that Bolivian cocaine generally tends to dominate in those markets. Federal counternarcotics police and state authorities are investigating the extensive domestic distribution networks in major and secondary cities in Brazil.

Asset Seizure. Many assets, particularly motor vehicles, are seized during narcotics raids and put into immediate use by the Federal Police under a March 1999 Executive Decree. Other assets are auctioned and proceeds distributed based on court decisions. Federal Police records show that 3 airplanes, 247 motor vehicles, 19 motorcycles, 1 boat, 47 firearms, and 221 cell phones were seized and used in 2002.

Extradition. According to the Brazilian Constitution, no Brazilian shall be extradited, except naturalized Brazilians in the case of a common crime committed before naturalization, or in the case where there is sufficient evidence of participation in the illicit traffic of narcotics and related drugs, under the terms of the law. Brazil cooperates with other countries in the extradition of non-Brazilian nationals accused of narcotics-related crimes. In 2002, Brazil extradited two U.S. citizens to stand trial in the U.S. on narcotics charges.

Demand Reduction. In late February, with USG assistance and in conjunction with the Brazilian National Public Safety Secretariat (SENASP) and SENAD, Brazilian Military Police trainers conducted DARE (Drug Abuse Resistance and Education) training sessions for Military Police personnel from 20 different Brazilian states. The DARE program, of which Brazil's is the largest outside of the U.S., reinforces a positive image of local police forces, while providing a strong message concerning demand reduction. In 2002, the hugely popular Brazilian soap opera "The Clone," watched daily by millions in Brazil and abroad, transmitted a strong counternarcotics message, which was educational and well received by the public and the GOB. SENAD continues to enjoy success with its toll-free number on drug information.

Interdiction. In 2002, the Federal Police seized 9.16 metric tons of cocaine HCl, 150 kilograms of crack, and 254 kilograms of base. Marijuana (cannabis) seizures went from 136 metric tons in 2001 to 190.87

metric tons in 2002. Two drug laboratories were dismantled in 2002. These numbers are incomplete, since only those of the Federal Police, and not those of local police forces, are reported on a national basis. Federal Police sources estimate they record perhaps 75 percent of seizures and detentions.

Corruption. As a matter of government policy, Brazil does not condone, encourage, or facilitate production, shipment, or distribution of illicit drugs or laundering of drug money.

Agreements and Treaties. Brazil became a party to the 1988 UN Drug Convention in 1991. Bilateral agreements based on the 1988 convention form the basis for counternarcotics cooperation between the U.S. and Brazil. Brazil also has a number of narcotics control agreements with its South American neighbors, several European countries, and South Africa. Brazil cooperates bilaterally with other countries and participates in the UN Drug Control Program (UNDCP) and the Organization of American States/Anti-drug Abuse Control Commission (OAS/CICAD). In June, the USG and GOB (Secretariat of the Federal Revenue) signed a bilateral Customs Mutual Assistance Agreement (CMAA). The CMAA will assist both countries in law enforcement efforts. Brazil and the U.S. are parties to a bilateral extradition treaty and additional protocol, signed in 1961 and 1962, respectively.

Drug Flow/Transit. The vast Amazon region remains difficult to adequately monitor, increasing the likelihood of narcotics moving by air and along the extensive river system. Federal Police officials indicate that cocaine leaving Colombia and entering Brazil by air is destined for international markets in Europe and the U.S. hidden in containerized cargo. According to Federal Police, smaller amounts of cocaine leave Colombia via Brazil's waterway networks in the Amazon region and are mainly destined for the Brazilian domestic market.

Precursor Chemical Control. Brazil requires registration with Federal Narcotics Police for all production, transport and distribution of precursor chemicals. In January, the GOB increased the number of controlled chemicals from 11 to approximately 150. Modifications of the existing laws were also made, making it easier for the Drug Enforcement Division (DRE) of the Brazilian Federal Police to investigate the diversion of precursor chemicals and prosecute those responsible. Additionally, the law grants the chemical section of the DRE the authority to add, delete, or otherwise modify the inclusion of specific chemicals and chemical-related statutes. In February, 46 agents of the Brazilian Federal Police attended the DEA academy in Quantico, Virginia. The agents are part of a special vetted investigative unit (SIU) working closely with DEA. Of the 46, 20 will be working directly with the Precursor Chemical SIU. The other 26 will join the 14 who have already been trained in the enforcement SIU.

The Federal Police have organized precursor chemical training and initiated interdiction operations of chemical precursors, including cyclical audits and investigations of Brazilian chemical firms. Brazil is compliant with the agreements to establish a method for maintaining records of transactions of the established list of precursor and essential chemicals and has established procedures under which such records can be made available to other countries' law enforcement authorities.

VI. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. counternarcotics policy in Brazil focuses on liaison with and assistance to Brazilian authorities in identifying and dismantling international narcotics trafficking organizations, reducing money laundering and increasing awareness of the dangers of drug trafficking and drug abuse. Assisting Brazil to develop a strong legal structure for narcotics and money laundering control and enhancing cooperation at the policy level are key goals. Bilateral agreements provide for cooperation between U.S. agencies, the National Anti-drug Secretariat and the Ministry of Justice.

Bilateral Cooperation. In accordance with the bilateral U.S.-Brazil letter of agreement (LOA) on counternarcotics, bilateral programs that took place in 2002 included cooperation with the Regional Intelligence Center of Operation COBRA, the International Drug Enforcement Conference (IDEC), Operation Alianza 8 and 9, and Operation Seis Fronteiras IV. Brazil and the U.S. are seeking to meet all goals set forth in the bilateral LOA.

Through the LOA, in 2002, the USG worked closely with the Federal Police, SENASP (Brazilian National Public Safety Secretariat), and SENAD. Various operations, such as Operation Alianza 8 and 9, were supported with LOA funds. With SENASP, the USG worked with local state and military police forces throughout Brazil to ensure such forces had basic law enforcement equipment, including bullet proof vests, handcuffs, and computer equipment. Working with SENAD, the USG ensured that all of Brazil's 26 state drug councils were provided with computer equipment and that they were hooked into a Brazil-wide network with SENAD.

Brazil continues to be actively involved in IDEC. Worldwide conferences are held annually, and sub-regional conferences are held approximately six months after the general conference. These conferences, sponsored and supported by DEA, bring law enforcement leaders from Western Hemisphere countries together to discuss the counternarcotics situations in their respective countries and to formulate regional responses to the problems they face. Brazil is a member of the Andean and Southern Cone Working Groups.

Operation Seis Fronteiras IV is part of a continuing successful regional counternarcotics exercise involving Brazil, Bolivia, Colombia, Ecuador, Peru, Venezuela, and the U.S. focusing on precursor chemicals.

In October, the USG provided MLAT (Mutual Legal Assistance Treaty) training to Brazilian judges, prosecutors, and law enforcement personnel in Rio de Janeiro, Curitiba, Sao Paulo, and Fortaleza. The USG provided funding for a SENASP team to visit the U.S. Department of Justice for possible implementation of a national information and look-out system, and funded the visit by a team of two Military Police Colonels to DARE program international headquarters in Los Angeles in November.

The Road Ahead. Brazil continues to expand its successful and ambitious Operation Cobra in northern Brazil towards other border areas, including the northern border with Suriname and Guyana and the southern triborder area with Argentina and Paraguay. Such expansion and perseverance demonstrates that the government of Brazil is serious in its commitment to combat trafficking and production of illegal drugs. Further signs of Brazil's strong commitment to combat drug trafficking would include willingness to share information on a real-time basis with other governments committed to the counternarcotics fight; continued high-level attention to counternarcotics efforts; further funding of counternarcotics programs and law enforcement agencies; and continued interdiction efforts in the regions most exploited by international narcotics traffickers.

Chile

I. Summary

While not a center of illicit narcotics production, Chile remains a transit country for cocaine and heroin shipments destined for the U.S. and Europe. Chile is a source of essential chemicals for use in coca processing in Peru and Bolivia. Through continued cooperation with neighboring countries and the support of the DEA, Chile achieved several successes in the area of control in 2002, including the break-up of an international heroin trafficking ring.

Proposed legislation to strengthen Chile's current drug and money laundering laws passed the lower house of Congress, but still fails to provide the Government of Chile (GOC) with the necessary tools and authority to freeze suspect assets. While there has been no evidence of significant money laundering, Chile remains vulnerable due to banking secrecy laws and lack of effective enforcement legislation. Chile is a party to the 1988 UN Drug Convention.

II. Status of Country

Transshipment of cocaine from the Andean region is a problem for Chile, as is the growing transit of heroin destined for the U.S. and Europe. Chile is a destination country for marijuana from Paraguay due to domestic demand. Chile produces small amounts of marijuana for domestic consumption, but is not a major drug producing country. Chilean authorities have discovered some cocaine and amphetamine labs in the past year, but Chile is not a major source of refined cocaine.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The Chilean Congress continues to work on a comprehensive revision of Chile's 1995 drug legislation, a project pending since 1999. Although passage of the law is unlikely this year, the portion of the law dealing with money laundering has been broken out for separate consideration. This section, which creates a Financial Analysis Unit (FAU) and criminalizes money laundering for arms trafficking and terrorist financing (currently only for narcotics), has been passed by the lower house of Congress, but still fails to provide the GOC with the necessary tools and authority to freeze suspect assets.

Accomplishments. In October 2002, Embassy Santiago, in conjunction with The National Drug Control Commission (CONACE), sponsored a conference of the Drug Prevention Network of the Americas (DPNA). The conference brought together representatives of 38 NGO's working in demand reduction throughout Chile. The goal of the conference was to encourage the creation of an NGO network in Chile to work on drug prevention issues and to create new demand reduction programs. This network, once formalized, will join DPNA.

Chile continues to implement its multi-year criminal justice reform to replace its current judiciary system. As of December 2002, seven of Chile's 12 regions will have adopted the new system, including Regions I and II where most drug trafficking occurs. Due to their proximity to the Peruvian and Bolivian borders as well as the presence of the major ports of Arica, Iquique and Antofagasta, the majority of Chile's drug-related arrests occur there. Having the new judicial system in place in those regions should make processing drug cases easier.

Law Enforcement Efforts. Chilean authorities are successfully interdicting narcotics transiting through and destined for Chile. As a result of increased U.S. support for interdiction efforts in the Andean source nations, narcotics traffickers are using Chile as a transshipment point for cocaine and heroin with more frequency. Chile's clean reputation with authorities in the U.S. and Europe means that vessels and aircraft originating from Chile are less closely scrutinized.

According to the Vice-Minister of the Interior, cocaine seizures were up 40 percent in the first three months of 2002, compared with the same period in 2001 (123 kilos 628 grams versus 88 kilos 15 grams). Chilean Customs, in cooperation with the Carabineros (uniform police) and the Investigations Police, reported seizing 580 kilos of cocaine in 2001, including 2 tons in one shipment. Police have reported seeing marked increases in cocaine trafficking from Peru and, working closely with their Peruvian counterparts, have made several seizures through joint land and sea operations. They seized 87 kilos in one weekend. The Investigations Police report seizing 433 kilos of cocaine as of October 2002, compared with 645 kilos in 2001.

Heroin trafficking continues to rise, coming from Colombia through Peru and Ecuador, although the overall amount seized has decreased since 2001 (33.2 kilos in 2001; 15.6 as of October 2002). Most seizures have occurred at the Santiago airport, including 5 kilograms seized from a Peruvian “mule” in September. The heroin was destined for the U.S. and was estimated to have a street value of U.S. \$18 million. In August 2002, Chilean Investigations Police arrested an Ecuadorian citizen in possession of approximately 9 kilograms of heroin at the Santiago International Airport. The heroin was hidden in the inner linings of 12 jackets, which had been transported from Ecuador, through Peru, into northern Chile. In an unprecedented decision, a presiding Chilean judge allowed a controlled delivery of the heroin to its recipient in New York. The subsequent delivery of 2 kilograms of heroin resulted in the arrest of the New York source of supply and two other couriers from Canada and Italy.

Seizures of marijuana from Paraguay rose dramatically in 2002. Chilean Customs recorded 88 seizures through October 2002, totaling 4 tons. The amount seized by the Investigations Police and Carabineros has more than quadrupled the figure from 2001, from 2,351 kilos to 8,413 kilos as of October 2002. In April 2002, Chilean police, in joint operation with Paraguayan authorities, seized nearly 2 tons of pressed marijuana in a truck crossing the border. Part of “Operation Southern Cross,” the authorities arrested 13 individuals including a Chilean woman alleged to be the head of the ring. There have also been several other large seizures (one or more tons) of marijuana, including a shipment hidden in lumber pallets.

Corruption. Corruption among police officers and other government officials is not a major problem, although there were two high profile incidents in 2002, which alarmed the GOC and the public. In October 2002, the head of the Investigations Police’s Anti-Narcotics Brigade in the northern city of Iquique, Raul Sumonte, was arrested for driving drunk and tested positive for cocaine use. The drug test combined with questions over Sumonte’s degree of involvement with an informant led to his dismissal and the resignation of the National Anti-Narcotics Chief for Investigations, Carlos Espinoza. Also in October, Chilean authorities arrested one retired and four active army officials for supplying arms and protection to Paraguayan drug traffickers. The five suspects have also been implicated in the murder of a Paraguayan national. Despite their serious nature, these incidents appear isolated and not a sign of widespread corruption. Chile remains highly ranked on Transparency International’s Annual Corruption Perception Index (16th in 2002, one spot lower than the U.S.).

Agreements and Treaties. The bilateral extradition treaty between the U.S. and Chile dates from 1900. Its updating is presently under consideration. The U.S. and Chile do not have a bilateral mutual legal assistance treaty (MLAT). Chile may ratify the multilateral OAS MLAT, to which the U.S. is already a party.

In September 2002, Chile and the U.S. signed a new agreement for cooperation and mutual assistance in narcotics-related matters, and U.S. assistance programs are implemented under this agreement. The GOC and the DEA signed an agreement in 1995 to create a Special Investigative Unit (SIU) within the Carabineros, and a portion of USG funding goes to provide training and equipment for the SIU. Chile has bilateral agreements in force with Argentina, Austria, Bolivia, Brazil, Colombia, Costa Rica, Croatia, Cuba, Ecuador, El Salvador, Mexico, Panama, Paraguay, Peru, Russia, Singapore, South Africa, Uruguay and Venezuela.

In multilateral fora, Chile is an active member of the Inter-American Drug Abuse Control Commission (CICAD). Chile also sent a delegation to the Inter-American Counter-Drug Forum (IACF) Conference

held in Miami in September 2002. As a party to the 1988 UN Drug Convention, Chile continues to work toward compliance with its goals and objectives, particularly through on-going efforts to update the 1995 drug law.

Drug Flow/Transit. Increasing amounts of drugs are being transshipped from Andean source countries through Chile, destined for the U.S. and Europe. Peru has reported discovering new trafficking routes from Colombia through the Peruvian jungles destined for the Chilean ports of Arica and Iquique. Chile's extensive and modern transportation system, both air and maritime, make it attractive to narcotics traffickers. Most narcotics arrive by land routes from Peru and Bolivia, but Paraguay and Argentina are gaining popularity as security tightens up northern points of entry. The efforts of Chilean authorities are hampered by treaty provisions allowing cargo originating in Bolivia and Peru to transit Chile without inspection to the ports of Arica and Antofagasta. A growing trend to use Peruvian fishing vessels to traffic large loads of drugs into Chile is emerging. The Chilean Navy, through its coast guard division "Directemar," has begun to take a more active role in interdiction efforts.

Domestic Programs. Chile is very concerned about rising domestic drug use and distribution. In April 2002, CONACE released a comprehensive new study of drug use among high school students. According to the survey, nearly 24 percent of high school students nation-wide had used drugs at least once (8 percent in the month previous to the study). Marijuana use among high school students increased 8.8 percent between 1999 and 2001, and 60 percent of students classified it as "easily obtained." Cocaine use also increased between 1999 and 2001, from 4.5 to 5.3 percent. Solvents, amphetamines, heroin and ecstasy were also used. CONACE co-sponsored a USG-funded conference of the Drug Prevention Network of the Americas (DPNA) with the goal of forming a Chilean NGO network to combat drug use.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. During 2002, the U.S. government pursued numerous initiatives based on the above priorities. These include; 1) a U.S./Chile Letter of Agreement (LOA) to provide INL support to the on-going criminal justice reform, narcotics interdiction, anti-money laundering and demand reduction programs; 2) two oral advocacy courses for new Chilean prosecutors; 3) a U.S. speaker program on court administration; 4) two INL-funded evidence collection and investigative techniques courses; 5) an INL-funded course in major case management for police and prosecutors; 6) a U.S. speaker program on prosecution of drug cases; 7) INL-funded IRS training course on money laundering investigation techniques; 8) direct video conference with FINCEN and IRS on money laundering issues; 9) Southcom-funded support of the Chilean delegation to the Inter-American Counter-Drug Forum conference in the U.S.; 10) INL-funded support of the police to provide training and equipment for counternarcotics operations; 11) a U.S. Customs-funded Airport Narcotics Interdiction Course; 12) two essential chemical diversion courses; 13) an INL-funded Drug Prevention Network of the Americas (DPNA) conference in Santiago; 14) two International Visitor programs on demand reduction and law enforcement issues; 15) an International Visitor program on counterterrorism and money laundering issues; 16) Diplomatic Security funded support to send four GOC officials to a counterterrorism legislation seminar which included sections on money laundering; 17) course on street survival techniques for police; 18) DEA funded training for a new Chilean SWAT team; 19) renegotiation of the 1900 U.S./Chile extradition treaty; 20) a DOS-funded Chilean delegation to the annual PRIDE conference.

The Road Ahead. In 2003, the U.S. Government will continue to support Chilean efforts to combat the narcotics-related problems listed above. Since the criminal justice system reform is an on-going process, the U.S. plans to continue to provide capacity-building assistance, including specialized training for prosecutors working on narcotics cases. Efforts to enhance the counternarcotics capabilities of the Chilean police pursuant to the LOA will continue. INL-funded courses provided by DOJ on money laundering prosecution, U.S. Customs on container security and the FBI on evidence collection techniques are all expected to take place in 2003. USG support to build a NGO counternarcotics alliance will likewise continue.

Colombia

I. Summary

Colombia continues to be the world's leading producer and distributor of cocaine and a significant supplier of heroin to the United States. In addition to supporting independent drug traffickers and cartels, the drug trade serves as a major source of funding for the leftist Revolutionary Armed Forces of Colombia (FARC), the hemisphere's largest and oldest terrorist group, and the United Self Defense Forces of Colombia (AUC), a paramilitary organization. The AUC and the FARC each control areas within Colombia that have the greatest coca and poppy cultivation. Their involvement in the drug trade fuels continued violence as each group vies to gain or retain profitable territory. The Uribe Administration is making good on its promise to crack down on extralegal armed groups and the illegal drug trade that funds them. During CY 2002, the U.S. Attorney General announced indictments against leading members of the FARC and the AUC for drug trafficking charges – including FARC Secretariat member Jorge Briceño-Suarez, FARC 16th Front Commander Tomas Molina-Caracas, and Carlos Castaño-Gil and Salvatore Manuero-Gomez, the number one and two of the AUC. The Colombian Government continues apace to extradite Colombian nationals to the U.S. to face serious drug trafficking charges and other crimes.

In 2002 the Government of Colombia (GOC) increased aerial coca eradication to a record pace. The U.S.-supported Colombian National Police Antinarcotics Directorate (DIRAN) sprayed 122,695 hectares of coca, a 45 percent increase over 2001, the previous record year. The DIRAN also sprayed 3,043 hectares of opium poppy, a 67 percent increase over 2001 levels.

Colombia is a party to the 1988 UN Drug Convention.

II. Status of Country

Colombia continues to be the world's largest producer of cocaine base, with an estimated 730 metric tons (MT) in CY 2001. Colombia produces nearly 80 percent of the world's cocaine hydrochloride (HCl), mostly from indigenous coca crops, plus a limited amount from Peruvian and Bolivian cocaine base. Colombia is also a significant supplier of high quality heroin to the United States, even though it produces less than two percent of the world's heroin. Almost all Colombian heroin is exported to the United States.

Drug trafficking has long funded the FARC, the hemisphere's largest and oldest terrorist group. The AUC has expanded its traditional role of providing security for cocaine production and transportation to active participation in all levels of the cocaine business. There are numerous reports of laboratories that are owned and operated by paramilitary groups independently of major drug organizations. The ELN, the smallest of the three terrorist groups operating in Colombia, is also active in the drug trade, but to a lesser degree.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The new president of Colombia, Alvaro Uribe, has instilled a sense of confidence in Colombians. He has passed an ambitious legislative agenda to restructure the state and formulated a National Security Strategy clearly defining government goals and developing a practical work plan to achieve its objectives. The strategy will marshal and coordinate resources government-wide to combat illegally armed groups and the drug trade that funds them.

The Uribe Administration is working to stimulate the economy and job opportunities. It has instilled confidence in both domestic and international investors. In 2002, the stock market increased in value by 50 percent. The new investments, bolstered by expanded Andean Trade Promotion and Drug Eradication

Act (ATPDEA) benefits, could generate over 250,000 jobs by 2004. With increasing opportunities in the legitimate economy, the high-risk modest income that growing illegal crops bring may lose its appeal.

President Uribe is also improving funding for both military and social programs, improving public security and the quality of life for Colombians. A new tax on the wealthiest one percent of the population will raise approximately U.S.\$ 1 billion, or 1.2 percent of GDP. Tax, labor and pension reforms will raise an additional U.S.\$ 1.5 billion; and ending the gasoline subsidy, an additional U.S.\$ 1 billion. Uribe plans to use these funds to support his ambitious plans to establish public security and stability in the outlying conflictive areas often controlled by the three terrorist groups, a vital component in the fight to eliminate illicit crop cultivation. President Uribe's good fiscal management will enable his government to provide security and social support to areas now lacking basic necessities.

The USG and GOC are working to reinitiate the air-bridge denial program to interrupt illicit trafficking of drugs by small, civilian aircraft. Three Cessna Citation 560 tracker aircraft and training are being made available to the Colombian Air Force.

The Department of Justice (DOJ) Office of Overseas Prosecutorial Development Assistance and Training (OPDAT) assisted Colombia in revising its asset forfeiture law, using U.S. statutes as a model. The challenge time was shortened and the focus shifted from the accused to the seized item (cash, jewelry, boat, etc.), with the accused bearing the burden to prove the asset in question was acquired legitimately.

In November 2002, amendments to the Colombian Constitution mandated significant reforms to the Colombian Criminal Justice System in the transition from an inquisitional to a more accusatory system. The Constitutional change requires the drafting of new criminal procedure, evidence, and sentencing codes. DOJ is working closely with the Colombian government and USAID in drafting the new codes and in developing appropriate conceptual acceptance of an accusatory style system within the Colombian justice sector.

The Uribe Administration is taking steps to criminalize personal drug use. Current law allows personal consumption of drugs as long as it was not done in public or in the presence of minors. This initiative will be part of a nationwide referendum set for a vote by the public at large in 2003.

Accomplishments. For 2002, the Colombian Drug Information System (SIDCO), reported the seizure of 124 metric tons (MT) of cocaine HCl/cocaine base; 67,637 gallons of cocaine in production; 362 MT of coca leaves; 27 MT of coca seeds; 680 kilograms of heroin; and 73 MT of cannabis. SIDCO also reported the destruction of 1,247 cocaine base labs; 129 cocaine HCl labs and 3 heroin labs; the capture of 2,430 MT of solid precursor chemicals and 1,990,314 gallons of liquid precursors; the seizure of 731 vehicles, 91 boats, 3 aircraft and 35,907 weapons; the destruction of 3 clandestine airstrips; and the arrest 15,199 people for narcotics trafficking offenses.

The U.S.-supported aerial eradication program, bolstered by three new AT-802 spray aircraft, had a record year. The DIRAN sprayed a total of approximately 122,695 hectares of coca and 3,043 hectares of opium poppy. The total for coca is a record high and 45 percent more than sprayed in 2001. The poppy total is 67 percent higher than sprayed in 2001.

USAID began implementing its Alternative Development (AD) program in earnest in December 2000. Roughly two years later, activities have benefited 20,128 families and supported 15,742 hectares of licit crops in both coca and poppy areas. Importantly, farmers are beginning to have confidence in the help provided. In addition, AD programs completed 208 social infrastructure projects in 11 municipalities in the Departments of Putumayo, Narino, Cauca and Huila. Projects included the construction of roads, sewage systems, and bridges, as well as rehabilitating schools; and were designed to be as labor intensive as possible to provide maximum employment and generate income for the community. USAID's Local Governance program, which works hand in hand with the AD program, completed 69 infrastructure projects. The AD program has several major implementers in the field throughout the country: Chemonics; Agricultural Cooperative Development International/Volunteers in Overseas Cooperative

Assistance (ACDI/VOCA); U.S. Army Corps of Engineers (USACE); and Pan-American Development Foundation (PADF), with others beginning operations next year.

The DIRAN, with USG support, continued to implement the Airmobile Interdiction Project, which provides elite units (“Junglas”) for drug interdiction missions. Within this project, the Bogotá Airmobile Company is at full strength, and the Santa Marta and Tulua Airmobile Companies are at 66 percent strength and should reach full operational capability by June 2003. The Airmobile Interdiction Companies conducted over 40 operations against narcotics targets, resulting in the destruction of 61 HCL laboratories and associated narcotics trafficking infrastructure. Two INL-funded intelligence/surveillance aircraft supported the majority of DIRAN operations. Nearly forty percent of its flight hours were flown in support of the Colombian Military’s counternarcotics (CN) operations.

Also in 2002, the DIRAN Airmobile Company raided a cocaine lab located in Cundinamarca Department. CNP officials seized 100 kilograms cocaine base, 500 kilograms cocaine HCL, and large amounts of chemicals, laboratory equipment, cocaine brick markings/labels, and miscellaneous documents. The CNP also discovered a chemical processing laboratory located in Cundinamarca Department, and seized a large amounts of urea, alcohol, hydrochloric acid, sulfuric acid, gasoline, and ACPM (diesel fuel). It is reported that these laboratories were under the control of Luis Eduardo Cifuentes, Commander of the Autodefensas of Cundinamarca and a member of the AUC senior command staff.

In 2002, Joint Task Force South (JTFS), comprised of the U.S.-trained and equipped Counter-Drug (CD) Brigade, the 12th and 24th Brigades, Naval Forces South, and Air Group South, kept the pressure on FARC and paramilitary drug trafficking and terrorist activity in Caqueta and Putumayo, the heart of Colombian coca cultivation. JTFS destroyed five cocaine HCL labs and 682 coca base labs, bringing the two-year total to 24 and 1,500, respectively. In 2002, JTFS seized 316,268 gallons and 425,200 kilos of liquid and solid precursor chemicals.

In 2002, 141 narcotics terrorists were slain in JTFS operations, compared to 139 in 2001. Significantly, JTFS was successful in disrupting narcotics terrorist leadership in the south. On October 6, CD Brigade units carried out a surgical strike operation resulting in the deaths of eight members of the FARC 15th Front, including its commander (alias “Mocho Cesar”) and his senior deputy. Cesar managed much of the drug trafficking industry in western Caqueta, controlled the Florencia-to-Bogota drug-trafficking corridor and was behind most of the terrorist activity in the region, including the murder of several mayors and the kidnapping of presidential candidate Ingrid Betancourt. On June 28, 12th Brigade units clashed with members of the FARC 49th Front in the vicinity of Curillo, Caqueta, resulting in the death of the 49th Front commander.

The backbone of the CD Brigade has been the UH-1N helicopter program. UH-1Ns have flown over 30,000 hours in two and one-half years, 19,000 hours in direct support of the CD Brigade in combat and service support operations. They have flown over 27,000 sorties, lifted more than 44,000 combatants and carried in excess of 776,508 pounds of cargo. Most impressively, the UH-1Ns completed over 170 medevac (medical rescue) missions. In 2002 the program suffered its first serious accident when a UH-1N went down in the vicinity of Larandia while conducting an emergency medical evacuation, resulting in five deaths among troops sent to defend the crash site. At the end of 2002, UH-60 Blackhawks, purchased under Plan Colombia, made their debut in the helicopter program, several supporting operations targeting FARC leadership.

The success of the CD Brigade has forced cocaine production facilities to move to other areas of Colombia, mainly the west coast, closer to cocaine transshipment points. In response, the Embassy worked with the Colombian military leadership in late 2002 to reorganize the CD Brigade, enabling it to operate throughout the country. The reorganization downsized the Brigade from 2,900 professional and conscript soldiers to 2,100 professional soldiers, and provided advanced training by U.S. Army Special Forces. During the reorganization, the DIRAN Junglas, intensified its efforts to seize and destroy the drug processing facilities that had moved to other parts of the country in response to successful interdiction effort in the Junglas original areas of operation.

With NAS support, the COLAR CD Brigade and 12th Brigade conducted five Medical Civic Actions (Medcaps) in 2002, providing needed health services to over 2,500 citizens in some of Colombia's poorest regions. These Medcaps helped promote rural citizens' trust that the Government will provide services lacking in the past. Notably, Medcaps are carried out where aerial spray eradication has taken place, allowing doctors to look for signs of health problems linked to spraying. As a result, a large body of evidence is accumulating that spraying is not the cause of major medical problems in rural Colombia.

Colombian Navy (COLNAV) and Marine (COLMAR) forces continued an aggressive CN campaign, with improvement in all measurable results. COLNAV Operations in Tumaco and other littoral regions were very successful in seizing drug production facilities, precursors, narcotics terrorists and weapons. Increased cooperation with JIATF-E and other agencies led to the capture of more than 57 metric tons of cocaine, 89 kilos of heroin, and significant amounts of precursors. The maritime enforcement effort has benefited from training provided by the DOJ and U.S. Coast Guard, a program that has become a model for the hemisphere. In one operation COLNAV suffered its first aviation loss at sea, losing one Bell 412 helicopter and two crewmembers during an interdiction operation. For the first time COLNAV provided a frigate for JIATF-E Tactical Control during interdiction operations.

The COLNAV and COLMAR continue to expand and improve their capabilities. COLNAV is reorganizing its marine forces including forming a new Riverine Battalion on the Pacific Coast, establishing a naval base at San Andres, revamping the Marine Special Forces Battalion and beginning the Naval Urban Special Forces (AFEATUR). Under the Executive Order for Internal Commotion (declaring the equivalent of a state of emergency), COLNAV assumed responsibility for the Special Rehabilitation zone in Magdalena, Sucre and Cordoba Departments. COLNAV purchased two CASA 235 Maritime Patrol Aircraft, approved the transfer/repair of the ex-USCG Durable to Colombia, delivered six Armored Troop Carriers (MATC), and converted a barge into an armored Riverine support ship. COLNAV made significant revisions to standing Interdiction Operations Plans, held regular "lessons-learned" conferences, and convened the second Operational Naval Committee meeting to further improve internal cooperation. COLNAV is continuing its fueling-at-sea initiative (with full implementation anticipated fall 2003) and renovations to the Coast Guard Station at San Andres.

Extradition from Colombia takes place under Colombian national extradition law, as amended. During 2002, 40 fugitives were extradited to the United States, up from 24 extraditions in 2001. Thirty-seven of these were Colombian nationals (including one person who was a dual U.S. Colombian national). The fast-moving stream of extraditions since President Uribe entered office reflects his administration's commitment to a strong law enforcement partnership with the United State that continues to promote unprecedented bilateral investigative efforts.

Since December 2000, the DEA Bogotá Country Office (BCO) has been investigating the cocaine trafficking activities of Tomas Molina-Caracas, commander of the 16th Front of the FARC. In March, a U.S. federal grand jury returned indictments against Molina and three other members of the organization on charges of conspiracy to manufacture and import cocaine into the United States. On June 18, one of the FARC members charged in this indictment, Eugenio Vargas-Perdomo (aka: Carlos Bolas), was detained in Suriname and expelled to the United States. Vargas is currently held in the U.S., pending trial. On November 13, 2002, the U.S. Attorney General announced that FARC Secretariat member Jorge Briceno-Suarez (aka Mono Jojoy) had been added to a superseding indictment of Tomas Molina-Caracas and six others.

In July 2002, the Colombian Government offered a reward of U.S. \$2,000,000 for information leading to the capture and arrest of FARC Secretariat personnel

Several DEA offices continued investigating Carlos Castaño-Gil, the head of the AUC. During a two-and-a-half year DEA investigation, witness testimony and evidence from Colombia, Spain, Portugal, Chile, as well as from Puerto Rico implicated Castaño and his associates in the trafficking of 17 tons of cocaine to the United States and Europe. On September 24, U.S. Attorney General John Ashcroft announced the

indictment of Castaño, along with AUC leader Salvatore Mancuso-Gomez and AUC member Juan Carlos Sierra-Ramirez.

Jose Jairo Garcia-Giraldo (aka Jota), the head of a Pereira, Colombia heroin trafficking organization sending approximately 20 kilograms of heroin to New York and Philadelphia monthly, was arrested and his operation dismantled. On June 12, the DEA in Bogotá and New York, and the Colombian Heroin Task Force, conducted a joint operation against the Garcia-Giraldo organization. Thirty people were arrested in Colombia and the United States, including Garcia. Over 30 kilograms of heroin and 20 kilograms of cocaine were seized.

Law Enforcement. The Maritime Enforcement project is a joint U.S.-Colombia initiative undertaken to ensure successful prosecution of maritime interdiction cases. The cooperation between Colombian and USG agencies involved in the project has grown to be a model for other countries to emulate. The response time in Colombia for maritime interdiction coordination has been reduced from an average of four hours to an average of 20 minutes, as was evident with the recent seizure of the ship “Paulo” and the capture of 11.5 tons of narcotics in February.

The effectiveness and commitment of law enforcement agencies remained high, as illustrated by the results of the interdiction and eradication operations summarized above.

Corruption. As a matter of policy, the GOC does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Appropriate legislation has been enacted to combat money laundering and related illegal financial flows associated with narcotics trafficking, and a special unit made up of officials of the Ministries of Justice and Finance tracks the illegal flow of money.

An U.S. Embassy Narcotics Affairs Section (NAS) investigation into questionable transactions in an account used to pay administrative expenses of the counternarcotics police resulted in the dismissal of several police officials and a change in leadership at the DIRAN. The account was suspended and the NAS now contracts the administrative items directly. The Prosecutor General’s office is investigating over 80 police officials in connection with the case. The incident was unfortunate, but does not obscure the fact that the vast majority of the members of DIRAN, including the senior officers, are dedicated professionals.

OPDAT and ICITAP are working with the Colombian Prosecutor’s Anti-Corruption Unit to develop this unit as an effective investigative and prosecution task force capable of investigating and prosecuting significant public corruption cases.

Agreements and Treaties. Colombia is a party to the 1988 UN Drug Convention and the GOC’s National Anti-Narcotics Plan of 1998 meets the strategic plan requirements of the Convention. Recent reforms have generally brought the Government into line with the requirements of the Convention. The United States and Colombia have a variety of arrangements to support bilateral narcotics control programs with several Colombian implementing agencies.

The GOC and USG are also parties to a maritime ship boarding agreement signed in 1997, providing faster approval for ship boarding in international waters and setting guidelines for improved CN cooperation with the Colombian Navy/Coast Guard.

Colombia has signed, but not ratified the UN Convention Against Transnational Organized Crime, which is not yet in force internationally.

Cultivation and Production. At the time of publication, crop estimates for 2002 were not yet available. The Colombian National Police, in collaboration with the United Nations Drug Control Program, estimated 163,289 hectares of coca under cultivation at the end of 2001. The estimated potential cocaine HCl production for Colombia at 730 metric tons in CY2001.

Reconnaissance flights and spray operations indicated 3,828 hectares of opium poppy were under cultivation in 2002. Recent USG studies on heroin production confirmed that farmers in all but one of

Colombia's opium poppy growing areas cultivate two crops per year. Previous USG estimates assumed Colombian farmers planted three opium poppy crops per year. In addition, these studies indicated that approximately 24 kilograms of opium latex are required to produce one kilogram of 100 percent pure heroin HCl.

The herbicide used in the aerial eradication of coca and poppy is glyphosate, the most common, most widely tested herbicide in the world. It is mixed with water and one adjuvant, Cosmo-Flux 411F. The U.S. Environmental Protection Agency (EPA) approved glyphosate for general use in 1974 and re-registered it in September 1993. It is approved by the EPA for use on various crops, forests, residential areas, and around aquatic areas. In its latest comprehensive review of studies on glyphosate, the EPA concluded that proper use would not cause serious or long-term adverse effects in humans. There are minimal risks of eye or skin irritation, but only in cases of direct exposure (not spray drift), and symptoms are mild, short-term and reversible. Glyphosate is not persistent in soil, does not build up after repeated use, and is biodegraded rapidly by soil microbes. Because it bonds tightly with the soil, glyphosate is unlikely to leach into underground water. Studies show glyphosate to be "practically non-toxic" to fish and long-term feeding studies of farm animals showed glyphosate was undetectable in muscle tissue, fat, milk, and eggs.

Cosmo-Flux 411F is produced in Colombia, where the Ministry of Health has classified it as lightly toxic. The EPA has determined that the ingredients in Cosmo-Flux 411F are acceptable for use on food products when the label instructions are followed.

Drug Flow/Transit. Colombia is the center of the international cocaine trade. Colombian traffickers produce large quantities of cocaine base domestically and also import it from Peru and Bolivia, then convert it to cocaine HCl at clandestine laboratories.

Colombia's coastal regions, which extend from Panama to Venezuela in the north and from Panama to Ecuador in the west, continue to flourish as major transshipment points for bulk maritime shipments of cocaine and cannabis. The vast majority of the drugs shipped from the coastal regions originate from production areas in the south-central portion of the country, as well as other less prolific growing areas in the northern third of Colombia. Most of the trafficking is organized by well-established trafficking organizations based in Cali, Medellín, Bogotá, and other cities throughout the country.

Fishing vessels transport large quantities of narcotics from Colombia to Mexico and other countries with the final destination for the United States and Europe. They are often loaded and off-loaded at sea by "go-fast" boats operating from secluded coastal areas. Fishing vessels are well suited for smuggling operations, as they have the ability to remain at sea for long periods, transit vast distances, draw minimal attention, and hide among legitimate fishing boats.

Go-fast boats transport drugs directly from Colombia to Central America, Mexico, and the Caribbean. The go-fasts deliver drugs to larger "mother ships," or transit directly to onshore deliveries in the region. Some trafficking organizations use refueling ships that re-supply the go-fast boats on the high seas.

Commercial cargo ships also transport drugs, which are camouflaged in containerized or bulk cargo or secreted in hidden compartments. The U.S.-sponsored Port Security Program (PSP), however, has significantly reduced this method of trafficking. At least partially because of the success of the PSP, narcotics trafficking organizations are making increased use of other methods of maritime trafficking. Among these is the use of go-fasts to depart Colombia from rivers and estuaries and deliver drugs to ships on the high seas. Traffickers also rely increasingly on the use of airways, including commercial airlines and clandestine airstrips.

The DEA believes that the bulk of the Colombian heroin destined for the U.S. is smuggled via couriers on commercial airlines, at approximately one kilogram per courier. However, during 2002, DEA noted an increase in bulk shipments (10 to 20 kilograms) of heroin from passengers arrested at Colombian and U.S. international airports. The majority of these seizures were found concealed in clothing or in the false linings of luggage. Drug organizations are also moving heroin as a part of large cocaine shipments. In October 2001, the DEA office in Colombia (DEA BCO) established a first-of-kind Airport Security

Program that included specialized training by DEA to identify human couriers and a body x-ray machine at Bogotá's El Dorado International Airport. This initiative is already paying dividends, with heroin seizures totaling more than 250 kilos. Within the next few months, NAS and the DEA will combine efforts to place body x-ray machines in three more international airports in Colombia. Over the course of the next two years, body x-ray machines and equipment to detect drugs in suitcases and cargo will be in all of Colombia's international airports.

Domestic Programs (Demand Reduction). On December 19, 2002, the Colombian Congress approved a proposal to criminalize the possession and use of personal doses of drugs. The drug penalty measure is one of 19 articles that will be submitted to popular vote in the form of a referendum in mid-2003. If approved by the voters, the drug penalty article will become an amendment to the Colombian Constitution.

The Uribe Administration has decided to eliminate former President Pastrana's RUMBOS counternarcotics program (which managed demand reduction projects directly under the President) and parcel out its functions among several Government agencies.

In July, NAS launched a new program in Colombia called the Culture of Lawfulness. The program, which was piloted in Mexico in 2001 and has now expanded to several other countries, seeks to teach students to be responsible citizens. The Colombian program consists of the introduction of a culture of lawfulness course into the curriculum of selected junior secondary schools in Bogotá and Medellín. Medellín has requested assistance with an expansion of the program in 2003. A subsequent phase of the project will work through "centers of moral authority" – churches, NGOs, and the media – to introduce or reinforce respect for the rule of law more broadly in civil society.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The U.S. continues to place its focus on institution building, especially within the law enforcement, military, and judicial systems.

Bilateral Cooperation. In 2002, NAS initiated a major program in support of President Uribe's national security strategy to strengthen public security and reestablish state presence throughout the country. The project provides training and equipment with limited operational support to the CNP to support creating 62 "Carabineros Mobile," or rural police, squadrons. Each squadron consists of 150 policemen that will patrol the rural areas of Colombia's conflicted zones. In addition, the USG will contribute to training and equipping police units that will be stationed in over 147 municipalities that have no current police presence. USG-support will also be used to construct hardened police stations for this program in the most areas. A U.S. Army Special Forces team is helping to train these policemen. After public security and confidence have been restored, the GOC will be able to extend other government and public services to these marginalized areas.

The NAS-sponsored Port Security Program (PSP), launched in 1998, strengthens CN security in Colombia's eight major seaports. Each port harbors a dedicated counternarcotics police unit that carries out inspection and interdiction operations. If drugs are seized, the Office of the Prosecutor General opens an investigation. The ports have paid for the facilities and most of the operating costs of the police bases. NAS and the United States Customs Service provide training and specialized inspection equipment. To date, Customs has provided U.S.\$650,274 worth of specialized equipment. In November 2002, NAS sponsored an international seminar in Baranquilla where Customs agents provided training in detection and inspections methods. The CN bases within the ports serve as a major deterrent to the use of the commercial seaports by narcotics traffickers. Before the program began, about 80 tons of illegal drugs were seized each year in these ports. In 2002, the amount seized dwindled to less than two tons.

The DOJ Bilateral Case Initiative represents an advance in the cooperation between the U.S. and Colombia in combating international drug trafficking. Prosecutors and investigators from both countries are working closely together to identify significant trafficking organizations and strategies for the effective

prosecution of major traffickers, identifying in advance which defendants will be sought for extradition to the U.S. The Initiative has resulted in several significant cases, including the recently indicted cases against members of the FARC and AUC. It has also resulted in October's Operation Conquista, which resulted in 15 arrests in Colombia, the execution of search warrants at 37 homes and businesses, and the seizure of \$1.4 million in U.S. currency and 25 weapons. These arrests, searches, and seizures were based on a federal indictment that was returned on September 19, in the District of Columbia. The indictment charges the leader of a major Colombian cocaine trafficking organization and 15 other defendants with a conspiracy to distribute cocaine knowing and intending that it would be unlawfully imported into the United States. These investigations and prosecutions would not have been possible without the help of the Colombian law enforcement community. The Bilateral Case Initiative continues with many important investigations now underway.

The DOJ International Criminal Investigative Training Assistance Program (ICITAP) and its Overseas Prosecutorial Assistance and Training Program (OPDAT) are continuing their Justice Sector Reform Programs. DOJ continues providing training to prosecutors and investigators to enhance their ability to develop and successfully prosecute criminal cases. Over 2,500 people have received training, which has resulted in better-organized and more focused investigations and trial presentations, according to participants who have implemented the techniques in real cases. In 2002, ICITAP and OPDAT instructors trained Colombian instructors from the Prosecutor General's office, the Colombian National Police (CNP) and the Technical Investigative Body (CTI) in forensics, prosecutorial techniques, interview techniques and crime scene management. DOJ provided training for specialized task force units (human rights, money laundering, asset forfeiture, anticorruption, and counternarcotics) as well as for line prosecutors and police investigators. This training included instruction in the accusatorial system, the collection of evidence, stages and responsibilities of investigations and oral trials.

ICITAP and OPDAT worked with the Prosecutor General's office to expand the National Human Rights Units. Eleven satellite units with regional responsibilities are up and running in Cali, Neiva, Villavicencio, Medellin, Barranquilla, Bucaramanga, and Cucuta, creating faster access to remote sites of major suspected human rights abuse. The USG funding of installation and training on various forensics systems have substantially improved the ability of Colombian law enforcement agencies to investigate and prosecute human rights crimes. This forensic capability connects in labs around the country enabling prosecutors and investigators to have quick access to forensic analysis in DNA, ballistics, fingerprints, and document imaging. Murders and massacres have been investigated and prosecuted with evidence developed by this equipment and training that would have been beyond Colombian capabilities in the past. The Colombian forensic facilities are now state of the art and one of the hemisphere's best.

The U.S. Marshals Service completed five dignitary protection courses in 2002. These courses train security details that protect threatened prosecutors, judges and investigators, as well as for several cabinet members, the mayor of Bogota, and the Attorney General. The program includes donation of equipment and training in a variety of techniques necessary to protect individuals in high-risk situations.

In support of key Plan Colombia initiatives, USAID is implementing a program to strengthen the Colombian criminal justice system, expand access to community-based legal services, promote alternative dispute resolution mechanisms, and strengthen the capacity of justice sector institutions to carry out their functions in a more timely, open, and fair manner. By the close of 2002, 29 legal centers ("Casas de Justicias") had been established, increasing access to justice for 1,502,021 poor and marginalized Colombians over the past seven years. The 19 oral trial courtrooms established are critical to USAID's efforts towards increased transparency and accountability within the Colombian legal system. Mixed inquisitorial/accusatorial trials have begun in most of the aforementioned courtrooms where officials apply concepts they have learned, including the presentation of evidence and cross-examination of witnesses.

USAID is working to improve the capacity of governmental institutions and civil society organizations to enhance and broaden respect for human rights in Colombia through a three-tiered approach including: the

prevention of human rights violations by strengthening GOC and civil society human rights institutions; the protection of human rights workers, community leaders and local elected officials under threat; and the improvement of GOC response to human rights violations. In 2001, USAID worked with the National Ombudsman's Office to develop a human rights Early Warning System (EWS) as a means of preventing forced displacement and massacres. With 12 regional offices now established, the EWS has issued a total of 170 alerts. The 152 resulting responsive actions have potentially prevented numerous and serious human rights violations.

USAID has provided "hard" (e.g., communications equipment, bullet-proof vests, and vehicles) and "soft" (e.g., domestic and international airfares and economic assistance) protection assistance to 2,221 individuals under threat through 2002. It is also supplying protection equipment and armoring for a cumulative total of 49 offices of key human rights organizations. Equally important, in 2002 the human rights program expanded its protection component to provide assistance to mayors, city council members, and local human rights officials that are increasingly under threat.

The USAID local governance program improves the capacity of municipal governments to involve citizens in local decision-making, provides municipal services, and effectively and transparently manages resources. Since December 2000, USAID has assisted the governors and mayors of Putumayo and Caquetá in improving public services, generating municipal development plans, and implementing modern financial management systems. Concurrently, a local infrastructure fund supports infrastructure projects that re-enforce sound management practices and foster greater citizen participation. Projects include school classrooms, health clinics, potable water systems, electrification, fish farms, and small animal husbandry. Though 2002, the program has fostered 87 citizen oversight committees that will establish priorities for funding social infrastructure projects and subsequently oversee their management and financing. Through 2002, 69 social infrastructure projects were completed in 27 municipalities directly benefiting more than 80,000 individuals in Putumayo and Caquetá.

USAID is helping to standardize accounting and internal control systems across the GOC—at both the national and local levels. To support increased financial and management audits and raise public awareness of available instruments to combat corruption, USAID completed a nationwide anticorruption campaign. This campaign reached six million citizens through radio, newspaper and television messages designed to inform citizens of the mechanisms available to them to combat corruption. USAID also provides assistance to civil society oversight organizations aimed at improving their ability to monitor national and local government activities. Approximately 1,170 citizen leaders have been trained in techniques and best practices for citizen oversight of the Government's management of public resources. Additionally, in 2002, USAID helped standardize the internal control units of five GOC entities, including the Office of the Controller General of the Republic, the Accountant General of the Nation, and the municipalities of Medellín, Barranquilla, and Cali.

USAID's peace program provides grants to state and private organizations carrying out projects and programs focused on fostering a culture of peace in Colombia. In 2002, USAID provided over \$2.5 million in grants to 21 private and public sector Colombian organizations. USAID-funded activities included grants to support the participation of women in the peace process, NGO institutional assistance training, and the establishment of an information resource center within the office of the High Commissioner for Peace. To date, activities have been carried out in 56 municipalities in 11 departments, directly benefiting almost 90,000 individuals.

USAID provides non-emergency support for internally displaced persons (IDPs) and other vulnerable populations. At the end of 2002, a grand total of 634,286 of Colombia's estimated 2 million displaced people had received assistance in the areas of health care, psychosocial assistance, community strengthening, income and employment generation, urban assistance (shelter, water and sanitation), and education. Additionally, USAID has a former child combatants rehabilitation program that has aided 636 children.

Through the NAS/DOJ/Bureau of Prisons-sponsored Penitentiary Improvement Program, the national high security penitentiary in Valledupar became the first and, so far, the only penitentiary in the world to receive ISO 9000 (the International Organization for Standardization standards for penitentiaries) certification with respect to administration and internal procedures. The Prisons Investment Fund received a similar ISO 9000 certification in August 2002. Currently the program is focusing on improvements in the American-designed high security penitentiary in Combita, medium security penitentiaries in the Departments of Meta and Popayan, the national penitentiary school, and the training and equipping of a professional correction staff and special commando and internal control groups. Combita penitentiary holds all prisoners pending extradition to the U.S. Previously, these were scattered in several different prisons and posed significant security concerns to Colombia.

The Air Service fleet includes 62 helicopters (59 supported by NAS) and 23 airplanes (21 supported by NAS). Aircraft are used in a variety of ways: fixed-wing aircraft transport cargo and personnel or perform intelligence and surveillance operations, and helicopters are used for transport and interdiction, or to escort and protect spray aircraft during eradication missions.

In July, NAS contracted with Lockheed Martin to provide maintenance and logistics support to CNP Air Service aircraft. The result has been a higher availability rate for the 80 aircraft supported by NAS, which, in turn, has been a key factor in the record eradication figures.

The Air Service completed two more conversions of UH-1H helicopters to "Huey II" models, which brought the Huey II fleet to a total of thirty. Unfortunately, a terrorist attack and a crash, both in October, destroyed two of these helicopters.

A state-of-the-art hangar, constructed with INL funds, was completed in April at Bogota's El Dorado airport. The CNP now has adequate facilities to maintain its fleet of 23 fixed wing aircraft. Construction began on aviation facilities (hangars, heliports and fuel systems) at two forward-operating bases, Santa Marta and Tulua. When completed in early 2003, these facilities will allow for the decentralization of assets and will permit the CNP to react more quickly and effectively to interdiction requirements. Ten helicopters and 166 "Junglas" will be deployed to each base, allowing for rapid-reaction forces ready to take on drug-processing labs and narcotics traffickers around the country.

The last of 25 Huey II helicopters were provided to the Colombian Army by the USG in 2002. These helicopters are set to become operational in June 2003.

The U.S. Army provided training to over 2000 soldiers in the year 2002. The Special Forces teams worked with Colombian staffs to develop the capability to plan complicated and time intensive air assault operations.

The U.S. Army continued its support in establishing and implementing Colombian military justice programs that sensitize the Colombian military on the rule of law, human rights, and international humanitarian law. In September, the Colombian Military Penal Justice Corps (MPJC) celebrated its first anniversary. The MPJC consists of 314 offices nationwide, with a staff of about 600, primarily lawyers and legal support personnel. Its main purpose is administration of justice throughout the Colombian armed forces. U.S. Army-sponsored training in military penal law, criminology, and human rights reached over 60 MPJC members, qualifying them to teach others. This corps of instructors in human rights and international humanitarian law will travel to military units throughout Colombia to provide training.

The USMILGP sponsored activities in support of military respect for human rights. These include seminars on human rights in military operations for COLNAV and COLAF unit commanders, human rights officers, legal advisors, and operational personnel, and distribution of 3,000 instructors' manuals and CD-ROMS on human rights and international humanitarian law for trainers in the Colombian armed forces. USMILGP also sends COLMIL and MOD personnel to the Human Rights Instructor course at the Western Hemisphere Institute of Security and Cooperation (WHINSEC). In 2002 a training team from the institute traveled to Colombia and trained over 80 military and police personnel.

The Road Ahead. The greatest challenges in 2003 will continue to be Colombia's three designated terrorist groups, the FARC, ELN, and AUC. These groups control much of Colombia's narcotics production and distribution, reaping enormous profits. A change in policy, embodied in the new authorities approved by Congress and signed into law by President Bush in October 2002, insures that the U.S. will support Colombia's unified campaign against drug trafficking and designated foreign terrorist organizations, and the protection of human health and welfare in emergency circumstances. A coordinated counternarcotics and counterterrorism program for Colombia in 2003 will reinforce Plan Colombia training efforts already begun, leading to still greater efficiency and professionalism in the Colombian armed forces, prosecutorial ranks, and law enforcement agencies.

Colombia Statistics

(1993–2002)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Coca										
Potential Harvest (ha)	TBD	NA	136,200	122,500	101,800	79,500	67,200	50,900	44,700	39,700
Eradication (ha)	122,965	84,250	47,371	43,246	—	19,000	5,600	8,750	4,910	793
Estimated Cultivation (ha)	NA	NA	183,200	—	—	98,500	72,800	59,650	49,610	40,493
HCl: Potential ¹ (mt)	NA	730	580	520	435	350	300	230	70	65
Opium										
Potential Harvest (ha)	TBD	6,500	7,500	7,500	6,100	6,600	6,300	6,540	20,000	20,000
Eradication (ha)	3,371	2,583	9,254	—	—	6,972	6,028	3,760	3,906	9,821
Estimated Cultivation (ha)	TBD	9,083	—	—	—	13,572	12,328	10,300	23,906	29,821
Cannabis²										
Potential Harvest (ha)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	4,980	4,986	5,000
Eradication (ha)	—	—	—	—	—	—	—	20	14	50
Estimated Cultivation (ha)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,050
Potential Yield (mt)	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,133	4,138	4,125
Seizures³										
Heroin/Morphine (mt)	0.699	0.798	0.572	0.504	0.317	0.261	0.183	0.419	0.181	0.261
Opium (mt)	0.11	0.002	—	0.183	0.100	0.120	0.036	0.078	0.128	0.261
Cannabis (mt)	73	80	46	65	69	136	235	166	2000	549
Base/Basuco (mt)	30	26.70	—	9.00	29.30	10.00	17.50	19.50	32.00	10.40
Cocaine HCl (mt)	94	57.30	69.00	22.73	54.70	34.00	23.50	21.50	30.00	21.76
Total HCl/Base (mt)	124	80.00	69.00	31.73	84.00	44.00	41.00	41.00	62.00	32.16
Total Arrests	15,199	15,832	8,600	—	1,961	1,546	1,561	1,745	2,154	2,562

¹ Newly acquired data from field surveys has resulted in revised leaf yield and HCl production estimates from 1995 on.

² Reported cannabis cultivation has not been confirmed by USG survey.

³ Seizure data show combined CNP and military figures.

Ecuador

I. Summary

Ecuador is a major transit country for drugs and precursor chemicals. Armed violence on the Colombian side of Ecuador's northern border renders interdiction especially difficult. Police and military forces are working together to improve security and curtail drug trafficking especially in the border area. With most drugs exiting the country via maritime commercial containers, Ecuadorian counternarcotics police, with help from the USG, are working to substantially enhance port inspection facilities and introduce drug-detecting technology into their ports and airports. Seizures of heroin rose sharply again in 2002. Although Ecuador is implementing a new penal code, its faulty judicial system and conflicting laws continue to hamper the prosecution of criminals. Ecuador has shown little movement toward the investigation and prosecution of money laundering. Only money laundering resulting from narcotics trafficking is currently considered criminal; however, a push is being made currently to modify the penal code to criminalize all forms of money laundering. The USG continues to provide equipment, infrastructure and training to improve counternarcotics performance and has seen tangible results.

Ecuador is a party to and has enacted legislation to implement the provisions of the 1988 UN Drug Convention.

II. Status of Country

A small country with three international airports and four major seaports, Ecuador shares porous borders with two of the world's largest narcotics producers: Colombia and Peru. Ecuador's public institutions are weak, corruption is a chronic problem and the financial system is poorly regulated. Entry and exit controls of persons and goods are undependable. A high level of poverty renders much of the population susceptible to illicit activities. Large-scale armed conflict in immediately adjacent areas of Colombia makes Ecuador's control of its northern border difficult. The National Police (ENP) and military forces are inadequately equipped and trained to deal with a challenge of this magnitude, although USG resources have vitiated this deficiency to some extent.

Drug traffickers continue to find new ways to exploit Ecuador's vulnerabilities. There is no evidence that illicit crops are cultivated to any significant degree in Ecuador, or that there is substantial processing of raw materials into market-ready drugs within the country. However, coca paste and base enter Ecuador from eastern Colombia (east of the Andes) and exit again to western Colombia (west of the Andes) for refinement. Cocaine HCL and heroin from Colombia and Peru are carried to Ecuador's ports for international distribution in volumes ranging from ingested individual loads of a few hundred grams to multi-ton sea shipments. The USG has made significant contributions to the GOE police and military to strengthen security in the northern border region and to interdict illicit drug-related activities.

III. Country Actions Against Drugs in 2002

Ecuadorian laws implementing the 1988 UN Drug Convention include criminalization of the production, transport, and sale of controlled narcotic substances; the import, transport and/or use of essential chemicals without an appropriate permit from the Ecuadorian National Drug Council (CONSEP); any attempt to conceal the profits from narcotics trafficking activities; the intimidation or corruption of judicial and public authorities in respect to drug crimes; and illegal association related to drug trafficking and profiteering.

Policy Initiatives. The Ecuadorian Government's (GOE) national drug strategy published in 1999 specifies the counternarcotics roles and responsibilities of GOE agencies including the armed forces.

Military-police cooperation continued to improve at the operational level as joint task forces conducted operations in the three northern provinces. Military and police forces in the northern border area were further reinforced. CONSEP completed a final draft of a revised organic drug law (Law 108), but it was not introduced in the congress before year's end. A multi-agency group is drafting a stand-alone law criminalizing the laundering of proceeds of any illicit activity.

The Counternarcotics Directorate (DNA) of the National Police, established in 1999, was further increased to about 1100 members, including twenty-five women officers. A line item for the DNA was approved for the first time in the 2002 national budget. Efforts to identify funding for a national criminal justice university continued but were slowed by government fiscal austerity measures imposed during the year. With USG assistance, a curriculum was developed for training judicial police and other judicial operators in implementation of the new code of criminal procedures.

The Manta Port Authority ceded a site within the port to the DNA, where a cargo inspection facility will be completed in 2003. The inspection facilities in Guayaquil port were improved in 2002. Similar inspection facilities are planned for Machala and Esmeraldas ports in the next two years. Improvements of the National Police intelligence data and voice communications networks continued. The DNA purchased fifty new dogs to replenish the canine counternarcotics inspection force. The National Police provided thirty new vehicles to the DNA.

Law Enforcement. Narcotics-related guerilla and paramilitary activity in southern Colombia continue to impact law enforcement and public security in Ecuador's northern border area. There are indications that drug trafficking across the southern border continues at high levels. Cocaine HCl seizures in 2002 totaled 10.49 metric tons compared to 10.83 metric tons in 2001. Heroin seizures rose steeply again for the third straight year, to 350 kilograms compared to 110 kilograms in 2000 and 230 kilograms in 2001. Cannabis and coca base seizures declined to 1.90 and .87 metric tons respectively. A focused campaign by the ENP and CONSEP again brought some substantial seizures of illicit precursor chemicals transiting Ecuador but showed that the chemicals control regime still has shortcomings. Army patrols in Sucumbios Province seized large volumes of white gas, a refined petroleum product used in cocaine production.

The new Code of Criminal Procedures promulgated in 2001 continues to cause confusion as police, prosecutors and judges struggle to agree on how it should be implemented. The USG and other donors are working urgently with the GOE to overcome this situation, which hampers effective investigation and prosecution of all types of crimes.

Corruption. Ecuadorian Government policy opposes the illicit production or distribution of drugs or other controlled substances, as well as the laundering of drug money. The 1990 drug law (Law 108) provides for the prosecution of any government official, including judges, who deliberately impedes the prosecution of anyone charged under that law. Some elements of other official corruption are criminalized in Ecuadorian laws but there is no comprehensive anticorruption law to address the problem per se. The 2001 investigation of General Abraham Correa, chief of police intelligence, for associating with an accused drug trafficker did not produce evidence on which to charge Correa, although he was dismissed from the police. The dismantling of a major international drug trafficking group in Quito in November 2002 involved the arrest of Col. Jose Pila, Deputy Chief of Operations of the Ecuadorian Army. Pila allegedly furnished security for containerized shipments of drugs to Ecuadorian ports. Over 2.6 tons of cocaine HCl were seized in this operation.

Law Enforcement Cooperation. In general, Ecuadorian law enforcement agencies cooperate well with U.S. and other foreign law enforcement agencies. Cooperation is improving steadily as the training of Ecuadorian personnel progresses. There are occasional delays in obtaining GOE permission to board and seize Ecuadorian vessels engaged in illicit activities at sea. The USG and the GOE continue to strengthen their law enforcement relationships, develop information-sharing conduits, and bolster interdiction cooperation. Cooperation between the USG and GOE in 2002 resulted in several successful drug interdiction operations and the dismantling of some international trafficking organizations, including the November operation involving the arrest of Col. Jose Pila, described above.

Arrests and Prosecutions. Jorge Hugo Reyes Torres, Ecuador's most notorious drug boss who was released from prison in February 2001 after serving more than eight years for drug trafficking and then re-arrested on November 26, 2001, was sentenced to twenty-five years in prison. There were no successful prosecutions in 2002 based specifically on the financing of drug operations. The lack of a comprehensive money laundering statute and of a dedicated financial investigations unit inhibit such prosecutions.

Agreements and Treaties. Ecuador and the United States signed a Customs Mutual Assistance Agreement in 2002. Ecuador became one of the first parties to ratify the United Nations Convention Against Transnational Organized Crime and its first two protocols.

The United States-Ecuador extradition treaty is outdated, but Ecuador has occasionally cooperated with the USG to deport or extradite non-Ecuadorian nationals. The Ecuadorian constitution prohibits the extradition of Ecuadorian nationals.

Ecuador is a party to the 1988 UN Drug Convention and has a narcotics law that incorporates its provisions.

The GOE agreed in 1999 to permit the USG to operate a Forward Operating Location (FOL) at the Ecuadorian Air Force base in Manta for counternarcotics surveillance. Since these operations began, Manta-based aircraft have played a critical role in detecting smuggling vessels on numerous occasions.

The GOE is a strong supporter of regional cooperation and has signed bilateral counternarcotics agreements with the USG, as well as Colombia, Cuba, and Argentina, as well as the Summit of the Americas money laundering initiative and the OAS/CICAD document on an counternarcotics hemispheric strategy. There has even been recent interest in a maritime counternarcotics bilateral agreement first proposed to the GOE by the USG in 1994.

In 1991, the GOE and the USG entered into an agreement on measures to prevent the diversion of chemical substances. In 1992, the two governments concluded an agreement to share information on currency transactions over \$US 10,000.

The GOE has met the requirements of annual agreements with the United States concerning the provision of assistance for counternarcotics activities. The U.S. and Ecuadorian governments are cooperating to improve Ecuadorian controls over the entry and exit of persons, strengthen safeguards against terrorism and illegal migration, and enhance interdiction of illicit drugs and chemicals.

Cultivation/Production. Joint police/military operations located and destroyed about 20 hectares of cultivated coca in scattered locations near the northern border in 2002. One-half hectare of poor quality poppy was found and destroyed mid-way between Quito and the Colombian border. The crops were eradicated in the presence of a public prosecutor, as the law requires. The absence of significant cultivation and of processing laboratories suggests that drug production is not now a serious problem in Ecuador, although the threat is always present due to Ecuador's geographic location and widespread poverty.

Precursor Chemical Control. Law enforcement officials generally believe that the illicit traffic in chemicals in Ecuador is greater than indicated by the relatively small volume of chemicals seized. The GOE's controlled chemicals list is outdated and inadequate. The USG, the UN Office on Drugs and Crime and other cooperating governments are working with the GOE to correct deficiencies in the chemical control regime. Ecuador continues to meet 1988 UN Drug Convention objectives regarding chemicals, and has signed a cooperative agreement with the European Union. However, CONSEP, the responsible agency, does not always place enough emphasis on conducting timely evaluations, particularly in response to priority queries from other countries.

The USG and the GOE have a bilateral agreement under which DEA notifies CONSEP in advance of pending chemical shipments. These notices are passed on to port inspectors, who seize all controlled chemicals which enter the country without proper documentation or when the quantity surpasses that

which was authorized by CONSEP. Both CONSEP and police records are available to DEA as they relate to narcotics or controlled chemical seizures.

Demand Reduction. The most recent comprehensive national survey of drug use in Ecuador, in 1998, revealed that four percent of the respondents admitted having used illicit drugs at least once in their lifetimes. A new survey is in preparation. Prevention of domestic drug abuse is an integral part of the GOE's drug strategy. National prevention activities are conducted primarily through the schools and supported by foreign donors. All public institutions, including the armed forces, are required to have abuse prevention programs in the workplace. The DNA conducts abuse prevention programs in selected communities.

Asset Seizure. The seizure and disposition of drug-connected assets is a problem area. By law, seized assets cannot be forfeited until the owner is convicted of a drug offense. Most problems arise in relation to the safeguarding of assets pending forfeiture. Real estate, vehicles and other personal property are often used by government agencies or officials and depreciated during the interim. CONSEP's budget relies heavily on receipts from the sale of seized assets and thus suffers unpredictable fluctuations. CONSEP employees went on strike over pay issues several times during the year.

Regional Coordination. Ecuadorian Government officials met frequently with their Colombian counterparts concerning border issues. Ecuadorian and Colombian security organs are working to improve cross-border communications and information exchange. Ecuadorian police operational and intelligence communications systems now being developed provide for compatibility with other police agencies in the region to facilitate a rapid exchange of information.

Alternative Development. The Ecuadorian Agency for Northern Border Development (UDENOR), established in 2000 to coordinate economic and social development programs in the country's vulnerable northern border region, continued its implementation of the Government's four year, \$US 465 million northern border development master plan. The plan aims at "preventive" rather than "alternative" development, since illicit crop cultivation is not currently significant in the area but is a severe problem in the immediately adjacent region of Colombia.

IV. U.S. Policy Initiatives and Programs

U.S. counternarcotics assistance to Ecuador aims at improving the professional capabilities, equipment and integrity of police, military, and judicial agencies to enable them to counter illicit drug activities more effectively. An initiative begun in 2001 and continuing throughout 2002-2003 seeks to strengthen the security of the northern border region. Ecuadorian Army units in the northern border area are being supplied with tactical radio communications and ground vehicles. Resources will be provided to the Ecuadorian Navy for the design and construction of a pier on Ecuador's northwestern coast in addition to the procurement of strategic vessels and other equipment that will improve the Navy's surveillance capabilities. A major police base and checkpoint will be completed in April 2003 and a second will begin construction around the same time. Cargo inspection facilities will be constructed in calendar year 2003 at the ports in Manta and Machala.

In 2002, the USG funded a judicial police training program whose purpose was to educate the judicial police on the new penal code. Trainers who successfully completed that first course are now multiplying their efforts by preparing courses to train colleagues. Additionally, both police and judicial authorities are being consulted on recommended changes to the new code and a forum has been created where changes can be discussed and folded into proposed revisions of the new code as appropriate. Communications equipment, ground vehicles and support of the canine program continue to be areas supported through USG assistance and for which recent successful operations can be credited.

All initiatives and strategies are jointly planned and coordinated with the GOE and are formalized in annual letters of agreement under which the USG grants assistance to the GOE.

The Road Ahead. The USG will seek improved performance in military/police collaboration, seaport and coastal control, police intelligence and highway interdiction through the provision of expanded training and essential infrastructure and equipment. U.S. assistance programs for drug interdiction, security and alternative development will mostly target the northern border. Increasing emphasis will be given to the prevention of money laundering, expanded training of the judicial police and the interdiction of illicit chemical precursors.

Ecuador Statistics

(1993–2002)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Seizures										
Cocaine (mt)	10.49	10.83	1.72	9.24	10.770	2.160	9.800	4.400	2.186	1.039
Base, paste (mt)	0.87	1.26	1.60	0.93	0.690	1.605	0.530	0.250	0.192	0.335
Cannabis (mt)	1.90	3.07	18.26	2.98	17.730	0.022	0.200	0.200	0.131	0.183
Heroin (mt)	0.35	0.23	0.11	0.08	0.053	0.034	0.070	0.053	0.024	0.027
Labs Destroyed										
Cocaine	0	4	0	2	2	0	1	0	0	0
Arrests/Detentions										
Nationals	2,106	2,018	2,532	3,567	3,596	3,346	2,075	1,858	2,872	2,775
Foreigners	605	440	434	267	292	346	204	2,214	201	213
Total Arrests	2,711	2,458	2,966	3,834	3,888	3,692	2,279	4,072	3,073	2,988

Paraguay

I. Summary

While the levels of Andean cocaine transiting through Paraguay remained stable in 2002, the Government of Paraguay (GOP) strengthened its counternarcotics capabilities. The GOP's Anti-Narcotics Secretariat (SENAD) continued to work closely with DEA in expanding its permanent presence throughout the country. Three new regional offices were created, bringing the total to five. The offices are manned by sixty-five (65) agents of the Chaco Mobile Enforcement Team (CMET) and Major Violators Units (MVU). The MVU carried out several successful operations to disrupt cocaine networks, resulting in the arrest of two (2) pilots looking to expand into the business. There was an increase in cocaine seizures over last year due principally to the capture of over 150 kilograms of cocaine in one operation. The Paraguayan Congress approved a new counternarcotics bill that provides the SENAD with modern law enforcement tools. Paraguay, a principal money-laundering center, strove to re-charge its money laundering effort by transferring its Financial Analysis Unit (FAU) to the Attorney General's (AG) office. (A full discussion of this aspect of the counternarcotics effort is presented in the INCSR chapter on Money Laundering and Financial Crimes.) There were several steps taken by the AG to combat government corruption and by the Ministry of Hacienda to battle tax evasion and fraud, but overall progress and judicial cooperation against corruption is lacking. Paraguay is a party to the 1988 UN Drug Convention.

II. Status of Country

Paraguay is a transit country for between 40 and 60 metric tons of Colombian, Bolivian and Peruvian cocaine that traverses its territory destined for Argentina, Brazil, the U.S., Europe, and Africa. The CMET was created to target the cocaine that transits by land, river and air over the vast Chaco area, with its undeveloped land border, extensive river networks, and numerous registered and unregistered airstrips. The MVU is tasked with identifying and investigating major drug trafficking organizations. Paraguay is a source country for high-quality marijuana that is not trafficked to the U.S.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The past 12 months have been a building year for SENAD, which focused on expanding its physical infrastructure and putting trained people in the right places. In June, DINAR (the SENAD counternarcotics police) officially changed its name to DOA (Direccion de Operaciones Anti-narcotics) to further emphasize the SENAD's counternarcotics mission. Three new regional offices were established, bringing the total to five. These regional posts are manned by 65 ad hoc vetted CMET and MVU agents, with each office having a minimum of 10 agents. The regional directors report directly to the SENAD chief. The SENAD chief continues to take active measures to assure that members of the police and military assigned to his office who are suspected of links to narcotics and other illegal activities are relieved of their duties. Polygraph tests have played an instrumental part in keeping the SENAD fairly clean. Of the 30 CMET and MVU agents re-tested, only four failed the exam and lost their posting. The SENAD chief's reputation as an excellent administrator was a key reason why the Paraguayan Congress voted to approve a comprehensive modification of the existing counternarcotics law, which grants long-sought authority to use informants and to conduct undercover operations and controlled deliveries. Once fully implemented, the law will enhance the SENAD's ability to successfully investigate and prosecute major drug traffickers.

Accomplishments. The most significant counternarcotics achievement in 2002 was the arrest of two narcotics pilots, fugitives from Brazilian justice, who had come to Paraguay to establish their own drug operation. In addition, the MVU seized a record cocaine shipment in a raid on a private house February

28, shortly after the opening of the regional office in Pedro Juan Caballero. The operation was marred, however, by the actions of the local prosecutor and police chief. One hundred and fifty kilograms of the over 200 kilos of cocaine confiscated were eventually destroyed. The rest was stolen while under custody of the prosecutor, who took possession of the drug and non-drug evidence as required by law. A subsequent investigation pointed to the local Police Commissioner as the likely culprit. Other SENAD successes include three joint Paraguay-Brazil counternarcotics “Alliance” marijuana eradication exercises. The maneuvers netted almost 25,000 kilograms of pressed or cut marijuana and led to the destruction of over 900 hectares of planted marijuana and more than 160 processing sites. They also resulted in the arrest of more than 15 individuals, among them two traffickers wanted in Uruguay and Carlos Fleitas Riveros, the Paraguayan owner of the house in Pedro Juan Caballero where the 200 plus kilograms of cocaine were found (see above). Also of note is the rapidly improving canine detection program. In airport and bus terminal searches, the dogs have discovered approximately 25 kilograms of cocaine, and an undetermined amount soaked in clothes. Since July 2002, 18 individuals detained by the canine unit have been arrested on possession and trafficking in cocaine.

Law Enforcement Efforts. Bail bondsman Nestor Baez, arrested for cocaine possession in 1998 and released in 2000 in a highly irregular decision, was sentenced to three years in jail for providing false testimony and obstruction of justice. According to the SENAD chief, 153 persons, including drug producers, distributors and bagmen, were arrested and imprisoned this year. As part of the implementation of the new narcotics law, the Supreme Court assigned two magistrates as special narcotics judges to handle search warrant requests and authorize the use of the police and investigatory powers granted in the legislation.

Corruption. The GOP recognizes corruption as a public policy challenge, but has been unable to attack corruption in a systematic fashion. There is no evidence that the government or any senior official encourages or facilitates the distribution or production of narcotics or other controlled substances. There have been a few high-profile convictions of former government officials for graft, and prosecutors in Asuncion and Encarnacion have opened investigations against more than 100 customs and port officials suspected of accepting illicit payments. We remain concerned that reportedly corrupt police officials are in positions to give protection to or compromise law enforcement actions against narcotics traffickers.

Agreements and Treaties. The new U.S.-Paraguay Extradition Treaty entered into force on March 9, 2001, and permits the extradition of nationals. Paraguay is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention, and the 1971 UN Convention on Psychotropic Substances. It has ratified the OAS Convention on Corruption, signed the OAS/CICAD Hemispheric Drug Strategy, and agreed to the Declaration of Principles and plans of action adopted at the Summit of the Americas and at the 1995 money laundering ministerial. In December 2000, Paraguay signed the UN Convention against Transnational Organized Crime and its Protocol to Prevent, Suppress and Punish Trafficking in Persons. It has law enforcement agreements with Brazil, Argentina, Chile and Venezuela. The 1987 bilateral letter of agreement, under which the U.S. provides counternarcotics assistance to Paraguay, was extended in 2001.

Cultivation/Production. Marijuana is the only illicit crop cultivated in Paraguay, and it is harvested throughout the year. Driven by a worsening economic situation and the relatively high price paid by traffickers for cultivation, marijuana production has increased, spreading to non-traditional areas of the country. SENAD estimates that 4,000 hectares (an increase of 1,000 hectares from 2001) were dedicated to the cultivation and production of marijuana in 2002.

Drug Flow/Transit. The levels of Andean cocaine transiting through Paraguay remained stable in 2002. U.S. law enforcement officials estimate that as much as 60 metric tons of Colombian, Bolivian, and Peruvian cocaine may transit Paraguay annually. Almost all the marijuana produced is for the Brazilian market, and is not destined for the United States.

Demand Reduction Program. The increased marijuana production in Paraguay has led to a noticeable rise in substance abuse. A poll to be completed in early 2003 will provide key information about the

public's perception of drug abuse and levels of drug use in Paraguay. Supported by funds from the Department of State's Bureau for International Narcotics and Law Enforcement Affairs (INL), the SENAD Office of Demand Reduction does a significant amount of outreach work, primarily in schools. The SENAD has the principal coordinating role under the National Program Against Drug Abuse, and works with the Ministries of Health and Education and several NGOs.

Chemical Control. Paraguay's regulations require SENAD-issued permits for the importation of precursor chemicals, but in practice these regulations are not adequately enforced. There are no laws or regulations regarding the end use of these chemicals.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The disruption of narcotics trafficking through training and equipping of an effective investigative and interdiction force, a strong GOP institutional effort against money laundering, and a decrease in public corruption continue to be USG's priorities in Paraguay. To accomplish these goals, the USG continues to support further professional development of the SENAD's MVU and CMET, providing for a more effective counternarcotics and organized crime investigative and operational capability from the Chaco in the west to the eastern border areas. The U.S. worked closely with Paraguayan senators for seven years on passage of the new law authorizing the use of informants, controlled deliveries and undercover operations, and other law enforcement tools. We will now work closely with judicial and law enforcement agencies to use the new law to bring to justice major traffickers and to disrupt their networks.

DEA continues to work with the SENAD, providing guidance on operations and investigations. INL provided equipment and training support to SENAD, including a course for canine handlers, the purchase of detection canines, computers and computer-related items, uniforms, an advanced training course for SENAD agents, and vehicle maintenance. SENAD officers participated in an Office of Defense Cooperation (ODC)-sponsored Special Forces Training and in the Regional Air Force Counterdrug Conference in Key West. DEA also sponsored an counternarcotics core legal team of two judges, the Deputy Attorney General, and the SENAD legal advisor, who traveled to Bolivia for a course of how to prosecute narcotics cases.

The Road Ahead. The new counternarcotics legislation will expand the GOP's ability to crack down heavily on narcotics transportation networks. Implementation of the new law and re-structuring of the SENAD field offices will strengthen the MVU's and CMET's operational capability leading to more thorough investigations and more coordinated action against major trafficking networks. Full implementation of all provisions of the anti-money laundering and counternarcotics law will significantly enhance the GOP's ability to punish and prevent official corruption. The transfer of the GOP's Financial Analysis Unit (FAU) to the Attorney General's office should enhance the levels of cooperation between the two entities and spur more complete investigation of suspicious financial transaction and money laundering cases. The USG will continue to strengthen the SENAD's counternarcotics investigative and operational units, as well as the FAU, through training, technical assistance, and equipment donations.

Peru

I. Summary

Peru is the second largest cocaine producer in the world and a major exporter of high purity cocaine and cocaine base to markets in South America, Mexico, the United States, and Europe. Peru legally produces cocaine base and coca leaf for medical and commercial consumption in the U.S. and Europe. The country's production increased 8 percent in 2002 but is 36,000 hectares below the 1995 level.

Progress was made in the past year on many components of the counternarcotics program that targeted the illicit drug trade, encompassing demand reduction, coca eradication, air, land and waterway drug interdiction and chemical diversion control. Major accomplishments include increases in drug seizures, the destruction of maceration pits and arrests.

The pace of eradication picked up in the last four months of 2002 after it had temporarily slowed when the Government of Peru (GOP) faced social unrest from coca farmers and other civic sectors. Subsequently, a number of factors spurred greater cooperation that enabled the GOP to eradicate the target goal of 7,000 hectares of coca for the year. These included Peru's interest in qualifying for Andean Trade Preference and Drug Eradication Act (ATPDEA) benefits, USG demarches, a new bilateral alternate development agreement with the USG and a pilot participatory eradication program. The GOP is considering an eradication plan for 2003 that sets a minimum goal of 12,000 hectares.

II. Status of Country

Coca is grown in a number of areas east of the Andes in Peru. The Upper Huallaga and Apurimac Valleys account for 60 percent of production while the "traditional" growing area of Cuzco produces 21 percent. Drug traffickers continue to move coca products out of Peru via air, river, land, and sea routes to Mexico, Bolivia, Brazil, Colombia, Ecuador and Chile. More drugs left Peru for Europe and the U.S. in 2002 through ports including Callao, Chimbote and others along Peru's coast according to DEA. Traffickers are exploiting the lack of control on the northern and southern borders to move cocaine hydrochloride (HCl) and cocaine base north into Ecuador and south into Chile and Bolivia. Opium latex and morphine are moved overland north into Ecuador.

Traffickers continue to use private aircraft to transport cocaine base from Peru to Bolivia, Brazil, and Colombia. However, there is no reliable information on whether or how smugglers may have changed clandestine flight operations carrying cocaine base from Peru to Colombia since the suspension of the Airbridge Denial (ABD) Program.

Sendero Luminoso (SL) members provide security for a fee to traffickers transporting drugs out of the Apurimac/Ene Valleys and the Upper Huallaga Valley. There is no evidence that the SL as an organization is directly involved in either the cultivation or processing of cocaine. This situation may change due to the SL's increased cooperation with traffickers in the cocaine production zones. There have been multiple reports of border crossings by the Revolutionary Armed Forces of Colombia (FARC) into Peru. In 2002 there was the first report of gunfire being exchanged between FARC forces and the Peruvian National Police. This could signal an escalation of the border situation, as pressure grows on the FARC in Colombia.

Poppy cultivation and opium trafficking continue to increase in Peru, as evidenced by the steady rise in opium latex seizures by the Peruvian National Police (PNP). Colombian narcotics traffickers supply Peruvian farmers with seeds and offer technical assistance and cash loans. These activities are primarily concentrated in the northern central part of the country although poppy may also be grown in the Huallaga Valley. Peru also produces marijuana that is consumed locally.

III. Country Actions Against Drugs in 2002

Policy Initiatives. The GOP vacillated with respect to coca eradication during the first nine months of 2002. Organized coca growers (cocaleros) in Peru staged a number of large protests during 2002, which intimidated the GOP into signing agreements to temporarily suspend coca eradication in certain regions, as well as to include cocalero representatives in discussions on revising Peru's counternarcotics law. The cocalero threats to DEVIDA, Peru's equivalent to the U.S. government's Office of National Drug Control Policy, and alternative development NGO representatives caused the temporary suspension of some alternative development activities and the temporary withdrawal of some NGO staff from coca growing zones for safety. Politically, the cocaleros dominate the Apurimac/Ene River Valley Agricultural Association (FEPAVRAE), and have formed a new indigenous political party Llapanchicc, which is consciously modeled on Evo Morales' cocalero movement in Bolivia. While other Peruvian indigenous political parties have come and gone, Llapanchicc is the first to have as its central plank the defense of coca cultivation.

Eradication activities were renewed in the final three months of the year when a pilot program of participatory eradication (auto-eradication) was inaugurated in the Huallaga valley. This development followed the signing of a multi-year bilateral agreement in September, which will commit an estimated \$300 million to the Peruvian Alternative Development Program (ADP) through 2007. The new agreement establishes a revised strategy that conditions provision of alternative development in coca-growing areas with eradication and interdiction programs.

Interdiction activities were less controversial and the GOC was more proactive. A greater effort was directed at destroying coca maceration pits and laboratories in an attempt to destroy the coca and by-products before they became mobile. The GOP also seized larger quantities of cocaine HCL and base in 2002. Seizures of coca paste reached 9,000 kilos compared to 6,300 the previous year. Nearly 7,000 kilos of potential base was destroyed along with 485 labs and maceration pits. The GOP confiscated close to 500 metric tons of illegal or diverted precursor chemicals. Peru and the USG signed a Bilateral Peru Riverine Plan (BPRP) in March 2002. The BPRP focuses on riverine law enforcement operations. It calls for the GOP to assume financial responsibility for the riverine school in Iquitos in CY 2003.

Treaties and Agreements. The GOP strongly supports the objectives of the 1991 USG-GOP counternarcotics bilateral framework agreement currently in force, and the 1988 UN Drug Convention, to which Peru has been a party since 1992. Peru is also a party to the 1961 UN Single Convention, as amended by the 1972 protocol, and the 1971 Convention on Psychotropic Substances. There is also an agreement between the U.S. and Peru to exchange information concerning large cash transactions. An 1899 bilateral extradition treaty is in force between Peru and the United States. In July 2001, the U.S. and Peru signed a new extradition treaty, which was ratified by both countries in 2002. The new treaty will enter into force once the two governments exchange the instruments of ratification.

Illicit Cultivation. Despite GOP eradication efforts, the total number of hectares of cultivated coca increased by 8 percent to 36,600 hectares in 2002. However, beginning in July, the Ministry of the Interior pledged full support to reach the 7000-hectare goal. A new pilot "auto-eradication" model was implemented that the GOP hopes will avoid social unrest. This model incorporates farmers into the eradication brigades, paying them a daily wage. Communities that have eliminated coca are also eligible for employment-generating public works for short-term assistance and longer-term alternative development. While still in its infancy, the model shows promise, with over 900 hectares eradicated, mostly in native communities. CORAH has also entered into two new areas, dramatically increasing eradication rates and achieving its 2002 goal of 7000-hectares. The GOP is reluctant to eradicate in areas where confrontation with coca growers might occur. To date, it has not approved eradication in areas such as the Apurimac and Monzon areas, two key source zone valleys where principal concentrations of coca leaf are found.

An eradication plan for 2003 is in the approval process. It will cover between the 9,000 hectares proposed by DEVIDA and the 12,000 hectares proposed by the Ministry of the Interior. Under this plan, eradication would be carried out in the Apurimac and Monzon valleys.

Police have been less successful this year in locating poppy fields, despite repeated efforts. The fields are typically small, in remote and broken terrain, or co-mingled with legitimate crops which makes it difficult to identify them from imagery or overflight.

Law Enforcement. Efforts. During 2002, the Peruvian National Police Narcotics Directorate (DIRANDRO) began monthly interdiction operations in the Apurimac valley, a major cultivation zone infrequently attacked in the recent past. DIRANDRO destroyed over 200 rustic cocaine and cocaine base labs and ton quantities of precursor chemicals. Similar operations in the Huallaga Valley region eliminated another 349 rustic labs and coca maceration pits.

DIRANDRO also began to enhance truck and vehicle inspections of suspected drug and chemical smugglers utilizing the roads and highways throughout Peru. The PNP Road Unit conducts weekly road operations using trained K-9 drug dogs on the major highways exiting the coca producing jungle region heading west to the coastal areas, on major roads entering Lima, and throughout key Departments in Peru. In cooperation with U.S. law enforcement agencies, private shipping companies have improved their abilities to monitor sea cargo containers. They provide DIRANDRO and Peruvian Customs with information to support investigations of major Peruvian and other international trafficking organizations utilizing sea cargo containers to transport large shipments of cocaine to the U.S., Mexico and Europe.

The Riverine Program was designed to enable Peruvian police and Navy personnel to deny drug traffickers free access to the rivers and tributaries in the cocaine transshipment areas in Peru. Despite extensive USG investment in the Riverine Program, the GOP has shown little tangible, measurable results so far due primarily to a lack of coordinated effort and institutional rivalries between the Peruvian Navy, counternarcotics police and supporting regulations necessary for operations. This will be a major policy challenge in 2003.

Peruvian law requires, save for exceptional circumstances, that a prosecutor be present when police investigatory operations are carried out. The Anti-Narcotics Prosecutors (Fiscales Especiales Anti-Drogas or “FEAs”) continue to play an integral role in narcotics interdiction. There are currently three drug prosecutors in Lima and 14 assigned to other provinces. The increase in number and availability of prosecutors has led to a sharp increase in destruction of laboratories and maceration pits, arrests, etc. For example, in 2001 a total of 769 operations were carried out resulting in 39 labs and 107 maceration pits being destroyed. In the first seven months (January through July) of 2002, 765 operations were carried out, resulting in the destruction of 137 labs and 198 pits. In 2001, 3884 kilos of coca paste were seized; in the first seven months of 2002, 8670 kilos were seized. Similar numbers are reflected in seizures of cocaine (1955 KG in all of 2001 versus 3373 in Jan-July 2002). In all of 2001, 1367 people were arrested in connection with drug trafficking, while in the January-July 2002 period, 1606 persons were arrested.

Corruption. The Peruvian congress and press has remained focused on uncovering and investigating government corruption. The investigation of former officials of the Fujimori Government continues, including possible charges of drug trafficking against the former de-facto national security advisor, Vladimiro Montesinos. The GOP does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior official of the Government is known to engage in, encourage, or facilitate the illicit production or distributions of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Demand Reduction. Drug use continues to rise. According to a national survey, 59 percent of Peruvians believe that drug consumption is a “serious problem” for Peru. Marijuana, cocaine base, and cocaine remain the three illegal drugs most frequently abused. Peruvian men still significantly outnumber women in the use of marijuana and cocaine. Teenagers between the ages of 13-15 years continue to abuse these drugs. Glue sniffing remains a serious problem among street children in Lima. Gasoline sniffing is popular with the same age group in the jungle regions of Peru. Drug use in prisons is commonplace. Abuse of imported designer drugs such as Ecstasy (MDMA) is growing. Ecstasy is used by 10-20 percent of the drug abusers in Peru. The Government of Peru (GOP) recognizes the impact of Ecstasy on the

community and the urgent need for awareness and new legislation to specifically address importation, trafficking, possession, and manufacturing of MDMA.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG support for the GOP is focused on attacking the cocaine trafficking trade at its source in the Upper Huallaga Valley and the Apurimac/Ene Valley. Bilateral assistance also emphasizes institution building in support of Peruvian police counterparts and other entities involved in combating drug trafficking. Recently, GOP officials began discussions with political representatives in the Huallaga and the Apurimac/Ene Valley regarding future eradication efforts in those regions of Peru. Topics of discussion include auto-eradication, economic incentives, and viable alternative development measures, as well as increased police interdiction.

To attack the incipient opium trade the USG assisted the Peruvian police in forming a “Special Opium Group” dedicated full time to opium latex and morphine investigations.

There is also a bilateral maritime ports strategy with the GOP to improve police and Peruvian customs capabilities at all major ports throughout Peru. Seaport and airport intelligence collection efforts have helped identify suspect cargo and passengers departing Peru for the U.S. and Europe. Both programs continue to enhance liaison and cooperation between GOP authorities and private maritime and airfreight companies in support of GOP ports counternarcotics initiatives. The USG has helped the GOP to establish a joint Police/Customs Port Interdiction Unit in the principal seaport of Callao. It reviews export documents of containerized-freight and identifies suspect cargo to be searched. The group plans to deploy team members to other Peruvian seaports to conduct random document analysis operations.

The Peruvian police have arrested more drug smugglers and seized more drugs this year at Lima’s international airport. These successes are the result of ongoing training in interdiction and investigative techniques as well as the installation of an X-ray machine to screen passenger luggage for narcotics prior to exiting Peru for foreign destinations. U.S.-trained dogs are also being used to detect drugs on passengers and in airplane baggage compartments. The PNP is developing a database to identify and locate different organizations that are actively involved in drug trafficking via the passenger and cargo shipping airlines through the cooperative efforts among PNP, airline companies, freight handlers and Peruvian airport security.

Precursor Chemicals. Callao is the primary point of arrival for imported chemicals entering Peru. Precursor chemicals are generally imported legally into Peru and are subsequently diverted by legitimate Peruvian chemical companies, suppliers, and brokers to drug traffickers who produce cocaine and cocaine base. Precursor chemicals also enter Peru illegally via rivers from Brazil and Colombia. Legislation to establish a tracking system for the sale and distribution of controlled precursor chemicals has been submitted to the GOP. However, there is still no single, automated tracking system for the sale and distribution of precursor chemicals in Peru. Although Peruvian law strictly regulates the sale and distribution of controlled precursor chemicals, additional legislation is required to increase the criminal penalties for trafficking in controlled chemicals. Draft legislation has been submitted to the Peruvian government for review, but GOP authorities have not yet submitted the legislation to Congress.

Airbridge Denial. The ABD Program was suspended in April 2001 after a Peruvian air force pilot shot down a plane killing two Americans who belonged to a missionary organization. Since then, air intelligence capabilities have been limited, and related air interdiction efforts have ceased. There is little information as to how or if narcotics trafficking organizations may have changed their air operations since the air interdiction program was suspended. Investigations and enforcement actions indicate that narcotics traffickers continue to transport multi-ton shipments of cocaine HCl and cocaine base via land for ultimate shipment by commercial or fishing vessels to Colombia, Mexico, the U.S., and Europe.

Alternative Development. In 2002, the alternative development program (ADP) invested \$32 million dollars in two main coca-producing valleys (the Huallaga and Ene-Apurimac River Valleys), and in

consolidation areas where coca has declined but could re-emerge if the licit economy is not further developed. Continuing high coca prices, combined with extremely low international market prices for key AD crops such as cacao, coffee, plantain, heart of palm, and native cotton, complicated the challenge to promote and expand the production of licit alternatives to coca. The greatest success lay in promoting high quality production targeted at niche export markets.

In 2002, the ADP financed substantial rural road rehabilitation (355 kilometers) and maintenance (458 Km) and bridges to improve market access for relatively isolated communities. USAID is coordinating with the Ministry of Transportation and the Army Corps of Engineers for the rehabilitation of 170 kilometers of the Fernando Belande Highway, a major link between the Huallaga Valley and national markets running from Juanjui to Tocache.

The Road Ahead. During 2002, DIRANDRO increased the number of officers in the drug source zone and provide special training and equipment to a dedicated eradication security support unit. These increases led to an increase of arrests and seizures and greater security for eradication teams during 2002. These efforts will become especially important in 2003 when the GOP begins to eradicate coca in the Apurimac/Ene and Monzon Valleys where strong local resistance to eradication efforts is expected. The USG also supported a Peruvian Special Operations Unit to interdict illegal activities at clandestine airfields, drug laboratories and other sites that will reinforce law enforcement efforts in 2003.

USG and GOP authorities are reviewing the reactivation of the ABD Program in Peru. Aircraft and other equipment have been identified and refitted and initial pilot training has been completed. The Embassy is coordinating all logistical and operational concerns regarding command and control requirements to safely and effectively resume Airbridge in anticipation of a final decision on whether to restart the ABD Program in Peru in CY 2003.

In February 2002, the GOP and USAID agreed to carry out an aggressive tropical forest management program designed to increase household incomes via sustainable 'off-farm' employment and to preserve the bio-diversity of protected areas by discouraging the massive deforestation that results when forests are cleared for illegal coca cultivation. In September, the GOP and USAID signed a 5-year cooperative agreement that more directly links alternative development to coca eradication. Under the new strategy, communities will sign agreements committing to voluntarily eradicate the illicit coca grown in their area of influence and remain permanently coca-free in order to participate in the AD program. The GOP will forcibly eradicate coca if it is not destroyed voluntarily and ADP benefit will be withheld.

For coca growers who choose to participate, there are immediate benefits which include health and nutrition activities targeted to the most vulnerable community members, temporary employment on the construction of priority public works projects identified by the community, and training for local government to lay the foundation for further development planning. The revised strategy also includes a major communications effort to generate an environment in which the AD program can operate safely and effectively, to strengthen public support and political will, and to foment behavior change towards licit lifestyles and the rejection of the illicit economy. This new strategy of 'auto-eradication' has already resulted in the eradication of over 900 hectares of coca in the pilot region of Aguaytia.

Peru Statistics

(1993–2002)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Coca										
Net Cultivation (ha)	36,000	34,000	34,100	38,700	51,000	68,800	94,400	115,300	108,600	108,800
Eradication (ha)	7,000	3,900	6,200	13,800	7,825	3,462	1,259	0	0	0
Cultivation (ha)	42,000	37,900	40,200	52,500	58,825	72,262	95,659	115,300	108,600	108,800
Leaf (Potential Harvest) (ha)	52,700	52,600	60,975	69,200	95,600	130,600	174,700	183,600	165,300	155,500
HCl (Potential) (mt)	140	140	154	175	240	325	435	460	435	410
Seizures										
Coca Leaf (mt)		13.8	55.0	164.3	132.9	146.8	99.1	33.4	25.2	—
Coca Paste (mt)			—	—	—	—	—	—	—	7.7
Cocaine HCl (mt)	3.7	2.77	2.70	3.59	1.70	2.30	1.01	7.65	0.10	0.47
Cocaine Base (mt)	8.7	5.71	9.01	6.65	19.70	8.80	18.68	15.00	10.60	5.3
Total Cocaine (mt)	12.4	8.48	11.70	10.24	21.40	11.10	19.69	22.65	10.70	5.77
Heroin (mt)		.004	.002	—	—	—	—	—	—	—
Aircraft (items)		1	2	—	—	11	7	22	4	13

Uruguay

I. Summary

Uruguay is neither a major narcotics producing nor transit country, but it could become so in the medium term. Efforts to fight drug trafficking and domestic consumption are effective, although law enforcement agencies and drug programs continue to have very limited resources at their disposal. Current areas of concern include increased marijuana and cocaine seizures and consumption, the lack of inspection of containers at the port of Montevideo, and the use of free trade zones for the movement of arms, drugs, and other contraband. Uruguay is a party to the 1988 UN Drug Convention.

II. Status of Country

Uruguay is not a major drug producing or drug transit country, although its five-year recession and strategic location could lead it to become a new gateway for drugs. Drug consumption appears to be at relatively low levels. Uruguay is affected by the tri-border area of Paraguay, Argentina and Brazil, which has long been a haven for narcotics traffickers, smugglers, and other organized criminal elements. In addition, the long porous border with Brazil lends itself to infiltration by traffickers and money launderers. Regular seizures of small quantities of drugs on travelers from Argentina, Brazil, and Paraguay indicate that passage through Uruguay is used to hide the origin of the drugs. This activity has caused increased concern since Uruguay's admittance to the U.S. Visa Waiver Program in 1999. Lack of inspection and control over container movement through the port of Montevideo continues to be a problem. In addition, although precursor chemical regulatory controls exist, their effective enforcement is questionable.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Despite President Jorge Batlle's occasional public statements supporting the legalization of drugs, the Government of Uruguay (GOU) continues to make counternarcotics efforts a state priority. He has increased military involvement in anti-contraband and trafficking actions and was personally involved in GOU efforts to improve anti-money laundering regulations. The GOU remains committed to education and prevention efforts, although funding levels are low. In 2002, the GOU added an additional 25 officers to its lead counternarcotics agency. Uruguay remains active in international counternarcotics efforts and, as a member of the Southern Cone Working Group of the International Conference for Drug Control, the GOU regularly exchanges information on narcotics trafficking. Uruguay was one of the first participants in the Mutual Evaluation Mechanism (MEM) of the Financial Action Task Force (FATF).

Accomplishments. Despite the ongoing economic crisis, the GOU continued to sponsor training courses and working groups on money laundering. The newly created Financial Information and Analysis Unit of the Central Bank led efforts to bring a greater awareness of the issue to various members of the community including prosecutors, bankers, government officials, accountants, and judges. However, in its first mutual evaluation of Uruguay, the FATF for South America (GAFISUD) made several suggestions to expand the scope of legislation and improve investigative capabilities.

Law Enforcement Efforts. In 2002, cocaine seizures nearly doubled and MDMA (Ecstasy) seizures also increased significantly. By contrast, there were no seizures of heroin in 2002. The effectiveness of the different groups responsible for narcotics-related law enforcement has improved, but some difficulties in communication and joint efforts among the Directorate General for the Repression of Illicit Drug Trafficking (DGRTID), the police, the National Directorate for Intelligence and Information (DNII), and the Military Intelligence Agency (DGID) remain, stemming partly from a competition for limited

resources. Overall, GOU law enforcement efforts are effective, though more information sharing and interoperability will be necessary to increase arrest and conviction rates.

Corruption. There are no indications that senior GOU officials have engaged in drug production, trafficking, or money laundering. Public officials who do not act on any knowledge of a drug-related crime may be charged with a “crime of omission” under the Citizen Security Law. In addition, the Transparency Law of 1998 criminalizes various abuses of power by government office holders and requires high-ranking officials to comply with financial disclosure regulations.

Agreements and Treaties. Uruguay is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention, and has signed, but not yet ratified the UN Convention against Transnational Organized Crime, which is not yet in force internationally. Uruguay is also a member of the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS). The United States and Uruguay have an extradition treaty that entered into force in 1984 and a mutual legal assistance treaty (MLAT) that entered into force in 1994. In early December 2002, the GOU and the United States signed a letter of agreement (LOA), under which the U.S. funds programs to promote police effectiveness in combating narcotics-related crime, and improve border control capabilities. Uruguay will assume the presidency of GAFISUD in 2003.

Cultivation and Transit of Drugs. There is no significant cultivation or production of drugs in Uruguay. Also, Uruguay is not a major drug-transit country. However, the long border Uruguay shares with Brazil is very porous with minimal law enforcement presence. The DGRTID has expressed concern that the effects of Plan Colombia on trafficking in the Andes has created the need for a new southern corridor for cocaine, with Uruguay as a potential transit point. Maritime and port drug seizures are rare, in part because the GOU has limited financial resources to spend on opening and searching the high volume of container traffic moving through the port of Montevideo. GOU customs and coast guard authorities search only 0.5 percent of all containers that enter Uruguayan ports, well below the international standard of 1 percent.

Domestic Programs (Demand Reduction). The GOU does not maintain statistics on domestic drug consumption, but indications are that drug use within Uruguay is moderate, with marijuana dominating. The Alliance for a Drug Free Uruguay has increased its activity over the last two years, placing its counternarcotics message in media advertisements, event promotion, and the sponsorship of sporting events. The National Drug Secretariat (SND) has sponsored teacher training, public outreach, and programs in community centers and clubs. However, as Uruguay approaches its fifth consecutive year in economic recession, there are doubts whether the GOU will be able to maintain several of its domestic programs.

IV. U.S. Policy Initiatives and Programs

Objectives. USG support complements GOU efforts to strengthen money-laundering controls, enhance anti-trafficking enforcement, improve immigration and border control efforts, and reduce demand for illicit drugs. The USG has provided equipment, including computers, machine-readable passport scanners, and software, to the GOU for use in upgrading border control. A canine breeding and training program continues to be supported in the DGRTID. The USG also continues to sponsor training designed to increase police professionalism and to improve Coast Guard and Customs controls at the port of Montevideo. The Federal Law Enforcement Training Center (FLETC) held seminars on financial investigations during 2002, attended by judges, prosecutors, public and private bankers, and enforcement officials, designed to assist the newly created Financial Information and Analysis Unit in the Central Bank of Uruguay (BCU). The BCU has been cooperative in the effort to determine whether terrorists and narcotics traffickers have bank accounts or investments in Uruguay.

The Road Ahead. The overall strategy is to assure that economic recession and regional instability do not lead to Uruguay becoming a major narcotics transit country or money laundering center, and to contain growing domestic drug use.

Venezuela

I. Summary

Internal political turmoil distracted the Government of Venezuela (GOV) from the international narcotics control program throughout much of 2002. Events in April, periodic incidents of political violence uncharacteristic in this country, and two national economic strikes kept much of the GOV's attention focused on internal political strife. Consequently, the key Organized Crime Bill made very slow progress throughout the entire year, except in October when the international community lobbied hard for its passage and nearly two-thirds of its 150 articles were approved by the National Assembly. Two training courses for public prosecutors and police investigators and one firearms identification course had to be cancelled in April and May due to an evacuation of Embassy personnel, which precluded the arrival in Venezuela of the USG instructors. The GOV also did not conduct any illicit crop eradication in 2002, partially due to distraction and uncertainty over the national political scene.

Despite this, the GOV maintained an active drug interdiction program and made progress in its overall counternarcotics program. Seizures were high in all categories, thanks in large part to the implementation of several new programs. The Port Security Program began in Puerto Cabello in February with the assistance of two on-site U.S. Customs Service inspectors. The Prosecutors' Drug Task Force, organized in late 2001, came into its own by mid-2002 as a very effective and professional law enforcement investigative unit. In 2002, the GOV also drafted a comprehensive five-year narcotics control plan and obtained legislative approval of the U.S.-Venezuela Mutual Legal Assistance Treaty. Venezuela is a party to the 1988 UN Drug Convention.

II. Status of Country

The geographic location and terrain of Venezuela present attractive opportunities to drug smugglers seeking to move their product from neighboring Colombia, which shares a 2,200 kilometers border. The Pan American Highway and its spur roads support a daily flow of hundreds of tractor-trailers, trucks, and buses through two official border crossing points. The shared Guajira peninsula, long synonymous with smuggling and clandestine airstrips, affords alternate trafficking routes adjacent to the Caribbean Sea. The Serrania de Perija mountain range, located between the Pan American Highway and the Guajira peninsula, contains coca and opium poppy cultivations as well as rudimentary production labs on both sides of the border. From deep inside Colombia's coca-growing and cocaine-production region, the navigable Guaviare and Meta rivers flow to form two sides of Venezuela's southwest border, eventually coming together to form the Orinoco River, which bisects Venezuela and provides several oceanic ports before emptying into the convergence of the Caribbean Sea and Atlantic Ocean.

The amount of cocaine transiting Venezuela is estimated to be at least 150 metric tons per year. Although there is no reliable estimate of the amount of heroin transiting the country, the continuation of an exponential rise in heroin seizures over the last three years and the use of bolder smuggling methods are cause for grave concern. In 2002 Venezuela saw the first large seizure of MDMA (Ecstasy) as an imported drug. Coca and opium poppy are cultivated along the Colombian border in small but increasing amounts.

III. Country Actions Against Drugs in 2002

Policy Initiatives. Progress on major legislative issues continued to be slow throughout 2002. The primary source of disappointment was the National Assembly's failure to pass the Organized Crime Bill. First sent to the National Assembly in 1999, this bill would arm Venezuelan law enforcement with a full array of tools needed to combat effectively narcotics trafficking organizations and organized crime, including authorization for use of undercover agents and controlled deliveries, an expanded scope of

criminal money laundering (currently limited to proceeds of narcotics trafficking), establishment of the concept of conspiracy, and enhanced and streamlined asset forfeiture. After four years of development, the organized crime bill finally passed its first reading during the final quarter of 2001. The second reading was scheduled for early 2002, but other issues, including the events of April, distracted the National Assembly from this critical piece of legislation during the first nine months of the year. After several months of encouragement by the international community, the National Assembly passed 96 of the bill's 150 articles in October. Further work on the bill again stopped, however, as political tensions between Government and the Opposition again increased.

A major amendment to Venezuela's Uniform Drug Law (LOSEP), which would provide much needed enhancements to Venezuela's chemical control laws, did not move beyond completion of the first reading in 2002. Again, the overriding reason for the slow progress on this legislation was the national political crisis.

The National Commission against the Illicit Use of Drugs (CONACUID) is Venezuela's equivalent of the U.S. ONDCP. After 15 months of research and coordination, CONACUID published a five-year National Drug Control Plan in November 2002. Projects contained within the plan cover all 11 categories of the 1988 UN Drug Convention; the USG has current or planned programs to support 14 of these projects.

Accomplishments. The GOV in 2002 did not address domestic illicit cultivation or production of drugs, which are small, but may be increasing in the area bordering Colombia. GOV efforts were focused primarily on disrupting the distribution, sale, transport of drugs, as discussed in part IV of this report (bilateral cooperation). A major judicial success was achieved against money laundering with the sentencing of two Venezuelans to 15 and 25 years, respectively. Millions of dollars of narcotics trafficker assets were seized in 2002, including real estate and watercraft. Asset seizure, like money laundering, however, is currently governed by weak laws, which will be greatly expanded when the Organized Crime Bill becomes law. Law enforcement cooperation against drug transit has been excellent, as described in the following section and in Part IV of this report. Venezuela continued to participate in a regional chemical control effort, Operation Seis Fronteras, begun in late 2001. A pending revision to the National Narcotics and Psychotropic Drug Law (LOSEP) would provide for improved chemical control regulation. Finally, demand reduction programs abound in Venezuela, financed and administered by a variety of government agencies, non-government organizations, and private sector companies.

Law Enforcement. Cooperation between GOV and USG law enforcement agencies continues to be very good. A highlight of this cooperation in 2002 was the capture and expulsion of James Spencer Springette, a U.S. fugitive who was on both the FBI's "Top Ten" and the U.S. Customs Service's (USCS) "Most Wanted" lists, and who had escaped from prisons in the United States and Colombia. The leader of the violent "Island Boys" narcotics trafficking organization, Springette was wanted for conspiring to smuggle multi-ton loads of cocaine into the U.S. Acting on information provided by U.S. authorities and with the assistance of the USCS, DEA, and FBI offices at the American Embassy in Caracas, GOV authorities captured and deported Springette in early November 2002.

Another outstanding example of law enforcement cooperation was an August 2002 investigation that made possible a combined operation in September 2002, "Golfo de Paria I." In this operation, the Venezuelan National Guard, the Venezuelan Prosecutor's Drug Task Force (PDTF), and DEA targeted the Mario Sanchez (AKA Leon Cachito) narcotics trafficking organization, which was responsible for smuggling multi-ton loads of cocaine into the U.S. each month. With a day's notice, the operation went into action, by the end of the week concluding with the arrest of Sanchez and 15 co-defendants and the seizure of two tons of cocaine, 16 "go-fast" boats, 40 high-powered outboard motors, two fishing vessels, and various real estate.

Corruption. Although the GOV, as a matter of government policy, does not encourage or facilitate illicit drug production or trafficking, nor the laundering of proceeds from the same, there have been accusations that the current administration has turned a blind eye to such activities. In one highly publicized case, a

Venezuelan Coast Guard officer and two naval policemen stole more than 700 kilograms of cocaine, stored at a Coast Guard facility, from an August 2001 seizure on the high seas of 1,800 kilograms. When discovered through the good work of a public prosecutor and a team of counternarcotics National Guardsmen, the Coast Guard officer had already cut the cocaine and broken it down into smaller packages for local sale.

Petty corruption, such as the taking of small bribes to facilitate exportation processing, is widespread and tolerated with ambivalence. This in turn creates an atmosphere of ambiguity where larger scale corruption may also be accepted.

Agreements and Treaties. In 2002, the GOV obtained legislative approval of the U.S.-Venezuela Mutual Legal Assistance Treaty (MLAT). Entry into force awaits the completion of formal mutual notification of the completion of the ratification process through the diplomatic channel, in accordance with the terms of the treaty. An extradition treaty between the U.S. and Venezuela dates back to 1923. Venezuela is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention, and the 1971 UN Convention on Psychotropic Substances. Venezuela has signed and ratified the UN Convention against Transnational Organized Crime, and the Protocol to Prevent, Suppress and Punish Trafficking in Persons. Venezuela has also signed the Protocol against the Smuggling of Migrants. The GOV has also signed a number of important bilateral agreements with the U.S., including a ship-boarding agreement from 1991 (updated with a new protocol in 1997), a Memorandum of Understanding concerning cooperation in narcotics, and a customs mutual assistance agreement. Venezuela's 1999 "Bolivarian" constitution expressly prohibits the extradition of Venezuelan citizens. Previously, Venezuela had only a statutory bar to the extradition of nationals. Given the current political environment, this is extremely unlikely to change in the foreseeable future.

Venezuela is also party to numerous bilateral and multilateral narcotics control agreements, including bilateral agreements with 15 other Latin American and Caribbean nations, as well as one Asian and three European countries. Venezuela is a party to the Inter-American Convention against Corruption and in 2001 signed the consensus agreement on establishing a mechanism to evaluate compliance with the Convention. Additionally, Venezuela has entered into two agreements with the EU. The scope of these agreements ranges from suppression of trafficking and demand reduction to specific controls on money laundering and precursor chemicals.

Elements of Venezuela's private sector are active participants in the U.S. Customs Services Business Anti-smuggling Coalition (BASC), which seeks to deter narcotics smuggling in commercial cargo shipments and conveyances by enhancing private sector security programs. Hundreds of Venezuelan companies, organized into two BASC chapters, participate in the program. BASC is part of the USCS Americas Counter-smuggling Initiative (ACSI).

Cultivation/Production. Unknown quantities of coca and opium poppy are cultivated in the Serrania de Perija mountain range along the Colombo-Venezuelan border. There were no eradication missions conducted in 2002 to confirm exact locations and quantities. In 2001, however, three cocaine base labs in this region were discovered for the first time ever in Venezuela, indicating what could be a troubling new trend in the Venezuelan territory adjacent to Colombia. Cultivation of coca fields, for the first time as large as eight hectares, were also reported in 2001.

Drug Flow/Transit. Venezuela is a major transit country for shipment of cocaine, heroin, and cannabis to the United States and Europe. Containerized shipments via commercial sea freight are the dominant method of smuggling cocaine in loads of a ton or more. Heroin is moved primarily via courier on commercial airlines. New trends include a dramatic increase in heroin smuggling and new methods, including hiding large quantities in checked luggage and possibly initial attempts to use maritime cargo containers for heroin, sometimes as a part of a large cocaine shipment.

Based on seizure statistics for 2002, multi-ton shipments of cocaine continue to enter Venezuela from Colombia primarily via the Pan American Highway (border state of Tachira) and exit Venezuela from the

coastal states of Carabobo (Puerto Cabello), Vargas (Puerto La Guira and Maiquetia International Airport), and Sucre (mainland coast opposite Margarita Island). Significant cocaine seizures in the border states of Zulia and Bolivar confirm the transit of cocaine from Colombia across the Guajira Peninsula and via the Orinoco River, respectively.

Heroin trafficking, based upon 2002 seizure statistics, indicates heavy inbound activity at the Colombian border in Tachira, as well as heavy outbound activity at Maiquetia International Airport. Notable heroin trafficking is also noted across the Guajira Peninsula and in the vicinities of Puerto Cabello and Maracaibo.

Demand Reduction. CONACUID is the centralized coordinating body for nationwide demand reduction and treatment programs in Venezuela. Its areas of interest include educational demand reduction products, support for treatment of drug addicts, and collection and analysis of drug consumption and rehabilitation statistics. In addition to CONACUID's large network of public and private demand reduction and treatment organizations, other groups such as the Alliance for a Drug-Free Venezuela (Alianza para una Venezuela sin Drogas) undertake important work on their own. CONACUID and Alianza had planned to conduct independent surveys in 2002 to determine the nature and extent of drug abuse in Venezuela, but such were not realized.

CONACUID did, however, complete its analysis of a late-2001 drug usage survey conducted among secondary school students in the capital city of Caracas. Of the nearly 3,000 students surveyed, about one-quarter of one percent reported any consumption ever in the categories of cocaine, opiates, or methamphetamines. Less than two percent reported any use of cannabis. The reliability of the survey, however, is called into question by the fact that senior students reported zero monthly, annual, and lifetime use of cocaine, opiates, and methamphetamines, whereas younger students reports at least some usage in all categories.

IV. U.S. Policy Initiatives and Programs

Ultimately, the diverse manifestations of narcotics trafficking—cultivation, chemical diversion, production, transportation, smuggling, market development, sale, money laundering—are all operations of organized crime, without which this illegal activity could not be sustained on such a massive scale. The overall USG counternarcotics goal in Venezuela is to disrupt and dismantle narcotics trafficking organizations through numerous policy, law enforcement, and institutional development efforts. Interdiction, in this context, is viewed as a precursor to obtaining and exploiting intelligence information, which in turn may be used to direct criminal investigations and, ultimately, prosecutions.

USG narcotics control efforts and programs continued to undergo significant expansion in Venezuela in 2002. Seaport, airport, and land border points of entry security programs were studied and initiated during the year. Heroin seizures, both on the border and at the country's largest airport, continued to expand. A multi-agency investigative task force begun in late 2001 came into its own, making major seizures and arrests in 2002. Arrests and prosecutions continued at an energetic level throughout the year, although convictions remained low, indicating the need for better-trained prosecutors and/or tougher laws.

A small team of U.S. Customs Service inspectors augmented the Port Security Program during ten months of the year, conducting assessments of Venezuela's largest commercial seaport, Puerto Cabello, which is a known embarkation point for multi-ton containerized shipments of cocaine to the U.S. Assessments were also conducted at Maiquetia International Airport outside of Caracas and at the largest border crossing point of entry on the Colombo-Venezuelan border at San Antonio de Tachira. These assessments laid the foundation for improved procedures, organization, training, and equipment to detect and intercept drug shipments, collect intelligence, conduct follow-up investigations, and make arrests.

The Prosecutors' Drug Task Force (PDTF), begun in October 2001 with USG support, developed a professional investigative and operational capability in 2002. Composed of vetted personnel from three GOV agencies (the Public Ministry, the Federal Judicial Police, and the National Guard), this task force of

three dozen prosecutors and investigators seized almost 13 metric tons of drugs (3.5 MT of cocaine, 93 KG of heroin, and 9.3 MT of cannabis), conducted follow-up investigations resulting in the arrest of more than 80 traffickers (including one kingpin), and seized numerous watercraft, real estate, and cash. Additionally, the PDTF's intelligence and investigations supported international operations that resulted in the indictment and arrest of an additional 17 traffickers and the seizure of several additional tons of drugs.

Road Ahead. The pending Organized Crime Bill is pivotal to increased operational capability at all levels and in all disciplines, from the conduct of criminal investigations to money laundering control to asset seizure. The USG will continue to urge speedy passage and enactment of this long overdue law. Additional training and advisory resources must be directed to improve GOV capabilities in the areas of intelligence analysis, criminal investigations, case management, and prosecution. The port security program, begun at the country's primary seaport, airport, and border crossing in 2002, will be intensified at those locations and expanded to other large transportation hubs in 2003. As conditions in Venezuela permit, the USG will focus again on training programs for public prosecutors and criminal investigators, as well as seek to revitalize and expand a centralized organized crime intelligence analytical center.

Venezuela Statistics

(1993–2002)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Seizures										
Cocaine HCl (mt)	14.888	13.39	15.03	12.48	7.30	14.58	5.60	6.17	5.10	2.00
Other Cocaine (Basuco) (mt)	0.343	0.79	0.62	0.62	1.30	1.60	1.60	1.60	1.60	1.30
Total Cocaine Products (mt)	15.231	14.18	15.17	13.10	8.60	16.18	7.20	7.77	6.70	3.30
Cannabis (mt)	19.377	14.43	12.43	19.69	4.50	5.52	5.30	13.70	10.00	1.00
Heroin (mt)	0.475	0.28	0.13	0.04	0.04	0.11	0.07	0.10	0.02	0.02
Arrests										
Nationals	1,614	2,733	2,341	6,414	7,242	4,880	—	3,000	—	—
Foreigners	450	336	275	216	289	499	—	600	—	—
Unspecified	647									
Total Arrests	2,711	3,069	2,616	6,630	7,531	5,379	—	3,600	—	—